

BANKING & FINANCE

(145)

REGIONAL – 2019

True False: (15 @ 2 points each)	_____	(30 points)
Multiple Choice: (15 @ 2 points each)	_____	(30 points)
Job 1: Endorsements: (7 @ 2 point each)	_____	(14 points)
Job 2: Deposit Slip	_____	(24 points)
Job 3: Check Writing	_____	(18 points)
<i>TOTAL POINTS</i>	_____	<i>(116 points)</i>

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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TRUE/FALSE

Select A for a True statement and B for a False statement.

1. The rate the bank charges their best customer is referred to as the prime rate.
2. The price paid for an insurance policy is called the deductible.
3. An allowance period is the time between the billing date and the start of interest charges.
4. Most financial experts agree that families should set aside at least 20% of their disposable income each pay period.
5. Minors are not considered competent parties to enter into an agreement.
6. Inflation does not affect your investment strategy.
7. Credit files are updated monthly by computers and search procedures.
8. To shift or transfer risk, you buy insurance.
9. Interest-bearing accounts pay interest when the minimum balance is maintained.
10. A debit card is the same as a credit card.
11. A money order is a personal check that the bank guarantees to be good.
12. The cost of credit is determined by subtracting the cash paid from the total price and adding in all finance charges.
13. A good rule of thumb is that small amount purchases should not be charged but should be paid in cash.
14. A savings account is a risky investment.
15. An annuity is a contract issued by an insurance company that pays a series of regular payments, usually after retirement.

MULTIPLE CHOICE

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

16. The calculation for simple interest is _____ x interest rate x time.
 - a. down payment
 - b. principal
 - c. maturity value
 - d. month

17. The five C's of credit include all of the following *except* _____.
- cooperation
 - character
 - capacity
 - collateral
18. The total amount of taxes owed is called _____.
- exemption
 - tax liability
 - income tax
 - tax credit
19. Many companies offer _____, which is an automatic deposit of net pay to an employee's designated bank account.
- amortization
 - direct deposit
 - automated payments
 - indirect deposit
20. Which of the following assets is the *most* liquid?
- A certificate of deposit that comes due in six months
 - Ten shares of common stock
 - The money in your savings account
 - The money in your wallet
21. Writing the words "For Deposit Only" on the back of a check before your signature constitutes a
- blank endorsement
 - special endorsement
 - restrictive endorsement
 - joint endorsement
22. A check written by the bank on its own funds is a _____.
- certified check
 - money order
 - cashier's check
 - EFT
23. The value of a house less the amount still owed on the money borrowed to purchase it is called the _____.
- mortgage
 - spread
 - points
 - equity

24. The 9-digit number printed on a check that identifies the bank that holds the checking account and the Federal Reserve District the bank is located in is called the
- transit/routing number.
 - account number.
 - MICR number.
 - NSF number.
25. In a lease agreement, a tenant may have to pay the landlord a security deposit to
- increase the value of the private property.
 - guard against any financial loss.
 - pay for monthly utilities.
 - pay for his/her time.
26. Holding a variety of investments in order to reduce risk is called _____.
- liquidity
 - dollar-cost averaging
 - return on investment
 - diversification
27. The purpose of a retirement savings is to _____.
- provide for short-term needs
 - provide for long-term needs
 - provide for intermediate needs
 - invest
28. When buying a home, a buyer can lower the interest rate on the loan by
- taking out a second mortgage.
 - obtaining a home equity loan.
 - having the house appraised.
 - making a larger down payment than required.
29. Personal property put up to guarantee a loan should the borrower fail to repay is called
- a lien.
 - collateral.
 - capacity.
 - a garnishment.
30. The amount of your take home pay is also known as
- gross pay.
 - deductions.
 - net pay.
 - optional deductions.

JOB 1: ENDORSEMENTS

Alayna Osorio received three checks that she uses as follows.

The first one she uses with a blank endorsement at the grocery store. Alayna uses a restrictive endorsement at her bank with the second one. The third one she transfers ownership to James Allen by using a special endorsement in full. Show how Alayna endorsed the checks. Her account number is 003596.

Blank Endorsement

ENDORSE HERE

DO NOT WRITE, STAMP, OR SIGN BELOW
RESERVED FOR FINANCIAL INSTITUTION USE

Restrictive Endorsement

ENDORSE HERE

DO NOT WRITE, STAMP, OR SIGN BELOW
RESERVED FOR FINANCIAL INSTITUTION USE

Special Endorsement

ENDORSE HERE

DO NOT WRITE, STAMP, OR SIGN BELOW
RESERVED FOR FINANCIAL INSTITUTION USE

JOB 2: DEPOSIT SLIP

Ethan Higgins needed to make a deposit from mowing yards this week. He also had a lot of change in his pickup that he decided to deposit. Fill out the following deposit slip with all pertinent information. He would like to deposit into his savings account #60116051. List all of the checks on the back of the deposit slip and simply carry the total to the front of the deposit slip. Use today's date for the deposit.

Cash: 3-\$50 bill/8-\$20 bills/9-\$10 bills/15-\$5 bills/7-\$1 bills/24 quarters/8 dimes/22 nickels
 Checks: #2134 for \$72.00/#1345 for \$60.00/#5424 for \$50.00/#3124 for \$30.00/#6545 for \$72.00
 #2345 for \$60.00/#5980 for \$50.00

FRONT of Deposit Slip

Deposit		
Date _____	CASH	
Name _____	CHECKS	
Account Number _____		
The Money Bank	Subtotal	
Cashton, NC 22222	Less Cash	
	TOTAL	

BACK of Deposit Slip

	Checks	Dollars	Cents
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
	Total		

JOB 3: CHECK WRITING

Complete Check 2025 using today's date. Make it payable to Westword Energy for \$179.60 for the current month's utility bill. Sign the check using Vanessa Macias name.

Vanessa Macias 40 Bayberry Lane Houston, TX 34587	31-667/9787	2025
	_____ 20 _____	
PAY TO THE ORDER OF _____	\$ _____	
	_____ DOLLARS	
Connect Bank Dallas, Texas		
MEMO _____	_____	
: 316679787 : 987654321 2025		

1. Who is the drawee? _____
2. Who is the payee? _____
3. Who is the drawer? _____
4. What is the transit/routing number? _____
5. What was the purpose of writing this check? _____
6. What is the account number for this checking account? _____



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Job 2: Deposit Slip	_____ (24 points)
Job 3: Check Writing	_____ (18 points)
<i>TOTAL POINTS</i>	_____ (116 points)

Graders: Please double check and verify all scores and answer keys!

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**TRUE FALSE and
MULTIPLE CHOICE**

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

Job 1: ENDORSEMENTS (14 points—2 points each line)

(Blank Endorsement)

ENDORSE HERE

Alayna Osorio

(Special Endorsement)

ENDORSE HERE

Alayna Osorio
Pay to the order of
James Allen

(Restrictive Endorsement)

ENDORSE HERE

Alayna Osorio
For Deposit Only
Act# 003596

NOTE TO GRADER: Wording can be different since there are many acceptable ways to write on the restrictive or special endorsements.



Job 2: DEPOSIT SLIP (24 points)

GRADING: The checks can be listed in any order—but all must be on the back. The directions state to list all of checks on the back of the deposit and carry the total to the front.

FRONT of Deposit Slip

3 points

Deposit		
Date Current date	CASH	489.90
Name Ethan Higgins	CHECKS	394.00
Account Number 60116051		
The Money Bank		
Cashton, NC 22222		
	Subtotal	
	Less Cash	
	TOTAL	883.90

2 points
2 points

2 points

Back of the Deposit Slip

	Check	Dollars	Cents
1	#2134	72	-
2	#1345	60	-
3	#5424	50	-
4	#3124	30	-
5	#6545	72	-
6	#2345	60	-
7	#5980	50	-
8	(7 points)	(7 points)	
9			
10			
11			
12			
13			
14			
15			
	Total	394	-

1 point



Complete Check 2025 using today's date. Make it payable to Westword Energy for \$179.60 for the current month's utility bill. Sign the check using Vanessa Macias' name.

6 points...one for each part

Vanessa Macias 40 Bayberry Lane Houston, TX 34587	31-667/9787	2025
<u>CURRENT DATE</u> 20 _____		
PAY TO THE ORDER OF <u>Westword Energy</u>		\$ <u>179.60</u>
<u>One hundred seventy-nine and 60/100</u>		DOLLARS
Connect Bank Dallas, Texas		
MEMO <u>Utility bill</u>		<u>Vanessa Macias</u>
: 316679787 : 987654321 2025		

2 point each (12 points total)

1. Who is the drawee? Connect Bank
2. Who is the payee? Westword Energy
3. Who is the drawer? Vanessa Macias
4. What is the transit/routing number? 316679787
5. What was the purpose of writing this check? Utility bill
6. What is the account number for this checking account? 987654321