

Contestant Number _____

Time _____

Rank _____

BANKING & FINANCE (08)

Regional– 2012

Objective Portion (30 @ 2 pts. each) _____ (60)

Application Portion

Job 1—Check Writing (9 @ 2 pts. each) _____ (18)

Job 2—Check Register (36 @ 1 pt. each) _____ (36)

Job 3—Bank Deposit (12 @ 2 pts. each) _____ (24)

TOTAL POINTS _____ **(138)**

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- 3. Electronic devices will be monitored according to ACT standards.***

No more than 60 minutes testing time

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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. Items of value are called:
 - a. Personal assets
 - b. Allowance
 - c. Liabilities
 - d. Expenses

2. _____ transfers money directly from buyer's bank account to merchant's account.
 - a. Cash card
 - b. Credit card
 - c. Debit card
 - d. Smart card

3. Which of the following is NOT one of the 5 C's of lending?
 - a. Capacity
 - b. Capital
 - c. Credibility
 - d. Character

4. According to the Rule of 72, if the interest rate you earn is 16%, your money will double in value in
 - a. 4.5 years
 - b. 6 years
 - c. 16 years
 - d. 12 years

5. Which of the following is an example of a liquid asset?
 - a. \$1,250 that the Johnsons have in a savings account
 - b. A balance of \$400 the Smiths have on their Visa card
 - c. \$65,000 mortgage the Harris' have on their home
 - d. All of the above are liquid assets

6. Which of the following would be a potential warning sign of debt problems?
 - a. Increasing the balance on your credit card each month
 - b. Borrowing more to pay old debts
 - c. Going over your credit limit on credit cards
 - d. All of the above are warning signs

7. Brad Bodine is buying Rentoil Motor Oil and wants to know the unit price. He buys a box containing 5 quarts for \$10.50. The unit price is:
 - a. \$10.50 per can
 - b. \$5.00 per quart
 - c. \$2.10 per quart
 - d. \$2.10 per ounce

8. Payday loans:
 - a. Are the best way for young students to build up a good credit rating
 - b. Charge far more interest than a typical credit card interest charge
 - c. Are available from your local bank
 - d. Are a cheap way to borrow money, since it is for such a short term

9. Which of the following is the best definition of minimum payment on a credit card?
 - a. A low introductory payment offered by the lender for a few months until the card holder has established good credit
 - b. A fee that must be paid whether the card is used or not
 - c. The smallest payment that will keep a credit card holder in good standing with the lender
 - d. The interest on the purchases that were made on the credit card

10. Money electronically added to your checking account is called a(n)
 - a. Deposit
 - b. Automatic withdrawal
 - c. Automatic deposit
 - d. Certificate of deposit

11. Interest is the price paid for using other's money.
 - a. True
 - b. False

12. It is illegal for a bank to make different check-cashing rules for customers and noncustomers.
 - a. True
 - b. False

13. If banks must hold more money in reserve,
 - a. The money supply will expand
 - b. There is more money available to lend
 - c. There is less money available to lend
 - d. Both a and b, but not c

14. A reverse mortgage is repaid...
 - a. Over the term of the loan, typically 30 years
 - b. In one single large payment at a specified point
 - c. When the borrower dies
 - d. By the bank to the borrower

15. Generally speaking, housing costs should not exceed _____ of gross monthly income.
 - a. 10-15 percent
 - b. 25-28 percent
 - c. 36-40 percent
 - d. 50 percent

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16. On January 1, the cost of a product is \$50.00. If inflation for the year is 12 percent, what does the product cost on December 31 of that year?
- \$60.00
 - \$56.00
 - \$54.00
 - \$51.20
17. An example of a service is _____.
- a car
 - college books
 - a goal
 - a salon haircut
18. The FDIC and the NCUA insures deposits up to a limit of _____.
- \$250,000 per depositor
 - \$100,000 per account
 - \$150,000 for two accounts
 - \$200,000 all accounts
19. What is generally maintained in the vault of a bank?
- Precious metals
 - Safe files
 - Safe deposit boxes
 - None of the above
20. Which of the following can be used for security for a loan?
- Account receivable
 - Stock
 - Real estate
 - All of the above
21. Which of the following instruments is negotiable?
- Bank draft
 - Cashier's check
 - Certified check
 - All of the above
22. You are hired as a car washer who earns \$7.25 per hour. You work Tuesday-Saturday, 9-6 with one hour for lunch. Find the gross weekly pay for the job. Note: lunch time is unpaid.
- \$300.00
 - \$290.00
 - \$362.50
 - \$232.00
23. A store in Chicago, Illinois, advertised a 65" HD3D TV for \$1,475.99. What is the sales tax if the combined state and city tax rate is 7%?
- \$103.32
 - \$1579.31
 - \$100.15
 - \$109.96

24. There are _____ federal reserve banks.
- 6
 - 12
 - 13
 - 15
25. What is the name of the organization that insures a customer's money in a bank?
- IRS
 - NCUA
 - SCC
 - FDIC
26. Anna's savings account pays simple interest. She began with a deposit of \$1,000. At the end of one year, she had earned \$40 in interest. What is the interest rate on Anna's account?
- 1%
 - 2%
 - 3%
 - 4%
27. Jack borrowed \$1,050 and paid the loan back in 12 equal payments of \$96.50. What is the finance charge for this loan?
- \$58
 - \$108
 - \$1,158
 - None of the above
28. Macy agreed to repay a \$500 loan at 9% interest in 90 days. She made the loan on July 14. What is the due date of the loan?
- October 12
 - October 13
 - October 14
 - October 15
29. Your checking account balance was \$203.47 yesterday. Today your employer deposited your \$389.53 pay directly to your checking account. On the way home from work, you made an ATM withdrawal of \$100.00. After dinner you wrote checks for \$72.14, \$107.99, and \$47.16. What is the total of the withdrawals from your account for today?
- \$217.29
 - \$227.29
 - \$389.53
 - \$327.29

30. See question 29. What is the balance of your checking account at the end of today?
- a. \$593.00
 - b. \$365.71
 - c. \$265.71
 - d. None of the above

Job 1: Complete the transaction below:

On December 13, 2011, you buy a shirt from Abercrombie for \$46.99. Your state and local sales tax rate is 7%. Write this check for the amount of the purchase. Use clothing in the memo.

1190
00-6799/0010
DATE _____
PAY TO THE ORDER OF _____ \$ _____
DOLLARS Check features
Frontload
Direct Track
DELUXE CORPORATION
YOUR CITY, STATE 12345
NOT NEGOTIABLE
SAMPLE - VOID
DO NOT CASH!
MEMO _____ SIGNED _____ MP
⑆234567890⑆ 111144411190

- 1. What is the routing number? _____
- 2. What is the check number? _____
- 3. What is the account number? _____

JOB 3 - Deposit Slip

On December 21, 2011, you deposit the following. Fill out the following deposit slip with the correct amount. You are keeping \$20.00 out of the deposit.

Currency	6	\$20 bills	
	3	\$10 bills	
	10	\$ 5 bills	
	21	\$ 1 bills	
Coins	27	quarters	
	12	dimes	
	11	nickels	
Checks	\$121.32	ABA #90-1234	
	\$13.67	ABA #87-3456	
	\$46.21	ABA #88-5678	

<p>DEPOSIT SLIP</p> <p>Stephanie A. Clark 457 Main Street Columbus, OH 43214 PH 503-555-1212</p> <p>DATE _____</p> <p>_____</p> <p>Acknowledge receipt of cash returned by signing above.</p> <p>USA BANK Cleveland, Ohio</p> <p>I:074000052: 6485. 6000789.</p>	CASH		
	Including Coins		
	<i>List checks singly</i>		
	TOTAL		
	LESS CASH RECEIVED		
NET DEPOSIT			
<p>Checks and other items are received for deposit subject to the provisions of uniform commercial code or any applicable collection agreement.</p>			



BANKING & FINANCE (08)

KEY

Regional– 2012

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

Job 1.

1190
DATE **Dec 13, 2011** 00-6799/0030
PAY TO THE ORDER OF **Abercrombie** \$ **50.28**
Fifty and 28/100 DOLLARS
DELUXE CORPORATION
YOUR CITY, STATE 12345
MEMO **clothing** SIGNED **Student Signature**
234567890 111444 1190
NOT NEGOTIABLE
SAMPLE - VOID
DO NOT CASH!

1. What is the routing number? 234567890
2. What is the check number? 1190
3. What is the account number? 111444



Job 2

CHECK REGISTER

Check No.	Date	Check Issued To	Amount of Check		Amount of Deposit		Balance
							564.73
	6/1/11	Deposit			326	00	890.73
1251	6/3/11	MountainView Apartments	600	00			290.73
	6/5/11	Paycheck Deposit			325	23	615.96
1252	6/5/11	DirecTV	109	00			506.96
1253	6/5/11	Netflix	10	69			496.27
	6/12/11	Paycheck Deposit			321	67	817.94
1254	6/19/11	City Electric	82	65			735.29
	6/19/11	ATM	50	00			685.29

Job 3.

<p>DEPOSIT SLIP</p> <p>Stephanie A. Clark 457 Main Street Columbus, OH 43214 PH 503-555-1212</p> <p>DATE <u>December 21, 2011</u></p> <p><u>Student Signature</u></p> <p>Acknowledge receipt of cash returned by signing above.</p> <p>USA BANK Cleveland, Ohio</p> <p>I:074000052: 6485. 6000789.</p>	CASH Including Coins		
		229	50
	<i>List checks singly</i>		
	90-1234	121	32
	87-3456	13	67
	88-5678	46	21
	TOTAL	410	70
	LESS CASH RECEIVED	20	00
NET DEPOSIT	390	70	

Checks and other items are received for deposit subject to the provisions of uniform commercial code or any applicable collection agreement.