

Banking and Financial Systems

- 1) Many recent bank closings can be tied to:
 - a. credit default swaps
 - b. competition and recent laws governing banks
 - c. the recession
 - d. unethical practices and greed

Competency: Ethics

- 2) What is another name for the rate of the return on a savings account?
 - a. yield
 - b. equity
 - c. liquidity
 - d. compounding

Competency: Basic Terminology

- 3) What is the first sale of a common stock to the public called?
 - a. IPO
 - b. call
 - c. debenture
 - d. secondary market

Competency: Basic Terminology

- 4) What do actuaries do?
 - a. evaluate the likelihood of present events
 - b. evaluate assets and liabilities
 - c. evaluate the likelihood of future events
 - d. actually evaluate accounting statements

Competency: Careers in Financial Service

- 5) What's the best action to take after an interview?
- evaluate how you did and send a thank you note
 - write down all the questions you were asked in case you're asked again
 - tell the other interviewees about what went right or wrong
 - e-mail the interviewer to find out when they are going to hire

Competency: Careers in Financial Service

- 6) When is revenue recorded?
- contract talks reach a successful ending
 - when sales or services take place
 - cash is received from the customer
 - at the end of a quarter when financial statements need to be prepared

Competency: Concepts and Practices

- 7) The Board of Governors are:
- elected by the presidents of the Federal Reserve Banks and serve six-year terms
 - representative governors from states that have Federal Reserve Banks and serve for four years
 - appointed by the president and confirmed by the Senate for 14 year terms
 - the Presidents of the Federal Reserve Banks

Competency: Government Regulation of Financial Services

- 8) EFT is an acronym for
- electronic funds transit
 - electronic funds transfer
 - electronic funds transmitter
 - electronic financial transfer

Competency: Impact of Technology on Financial Services

- 9) If you had a savings account at a bank, which of the following would be correct concerning the interest that you would earn on this account?
- a. Income tax may be charged on your interest depending on your income.
 - b. Your interest would not be credited to your account until you turn 18.
 - c. Sales tax may be charged on the interest that you earn.
 - d. Earnings from saving account interest may not be taxed.

Competency: Taxation

- 10) What is the primary goal of insurance?
- a. to protect the insurance companies from losses from natural disasters
 - b. to aid the government in setting fiscal policy for losses and premiums
 - c. to allocate the risks of loss from the individual to a great number of people
 - d. to make sure that when you have insurance you are always covered for all losses

Competency: Types and differences of institutions

ANSWER KEY

- 1. D
- 2. A
- 3. A
- 4. C
- 5. A
- 6. B
- 7. C
- 8. B
- 9. A
- 10. C