|  |  |
| --- | --- |
| **BANKING & FINANCIAL SYSTEMS** | |
| |  |  | | --- | --- | | 1) | The gradual but deliberate reduction in staff numbers that occurs as employees retire or resign and are not replaced. | |  | A) strike | |  | B) attrition | |  | C) rift | |  | D) balance | |  |
|  | |
| |  |  | | --- | --- | | 2) | An economic system based on competition, with little or no government interference. | |  | A) subsidy | |  | B) communism | |  | C) free market | |  | D) enterprise | |  |
|  | |
| |  |  | | --- | --- | | 3) | The national exchanges, such as the New York Stock Exchange (NYSE) and the NASDAQ, are \_\_\_ markets. | |  | A) secondary | |  | B) initial | |  | C) investment | |  | D) primary | |  |
|  | |
| |  |  | | --- | --- | | 4) | A \_\_\_ is money borrowed against the credit card limit. | |  | A) loan | |  | B) purchase | |  | C) cash advance | |  | D) note | |  |
|  | |
| |  |  | | --- | --- | | 5) | \_\_\_ occurs at the intersection of the demand and supply curve which indicates no allocative inefficiency. | |  | A) Equilibrium | |  | B) Equality | |  | C) Grouping | |  | D) Balance | |  |
|  | |
| |  |  | | --- | --- | | 6) | The U.S. Congress passed the \_\_\_ to help protect investors from fraudulent financial reporting by corporations. | |  | A) Emergency Banking Act of 1933 | |  | B) Securities Exchange Act of 1934 | |  | C) Sarbanes-Oxley Act of 2002 | |  | D) Bank Restriction Act of 1797 | |  |
|  | |
| |  |  | | --- | --- | | 7) | The first bank of the United States was an institution of the government. | |  | A) True | |  | B) False | |  |
|  | |
| |  |  | | --- | --- | | 8) | Various uses of financial management software packages include all of the following **except** \_\_\_. | |  | A) revenue sharing | |  | B) cash management | |  | C) currency management | |  | D) consolidation | |  |
|  | |
| |  |  | | --- | --- | | 9) | Sage 50cloud, FreshBooks, and NetSuite ERP are all examples of \_\_\_ software. | |  | A) investing | |  | B) accounting | |  | C) marketing | |  | D) management | |  |
|  | |
| |  |  | | --- | --- | | 10) | The banking code of ethics does **not** include: | |  | A) personal rights | |  | B) conflict of interest | |  | C) confidentiality | |  | D) dishonesty and fraudulent behavior | |  |
|  | |
| |  |  | | --- | --- | | 11) | The act of opening accounts at two or more institutions and using the "float time" of available funds to crate fraudulent balances is called \_\_\_\_\_. | |  | A) check kiting | |  | B) reconciliation | |  | C) forgery | |  | D) counterfeiting | |  |
|  | |
| |  |  | | --- | --- | | 12) | \_\_\_ controls are processes and records that ensure the integrity of financial and accounting information and prevent fraud. | |  | A) Internal | |  | B) External | |  | C) Automated | |  | D) Human | |  |

|  |  |
| --- | --- |
|  | |
| |  |  | | --- | --- | | 13) | Not-for-profit banks that accommodate the needs of their members/owners are \_\_\_\_\_. | |  | A) retail banks | |  | B) investment banks | |  | C) commercial banks | |  | D) credit unions | |  |
|  | |
| |  |  | | --- | --- | | 14) | A securities license for individuals \_\_\_\_\_. | |  | A) usually limits the types of business performed by financial planners | |  | B) is not recommended for financial planners | |  | C) is relatively easy to acquire | |  | D) requires sponsorship from a broker dealer | |  |
|  | |
| |  |  | | --- | --- | | 15) | Which one of the following is currently a tax deduction? | |  | A) food | |  | B) interest on home mortgage | |  | C) vacation expenditures | |  | D) furniture | |  |

|  |
| --- |
|  |

|  |  |
| --- | --- |
| 1) | B |
| 2) | C |
| 3) | A |
| 4) | C |
| 5) | A |
| 6) | C |
| 7) | B |
| 8) | A |
| 9) | B |
| 10) | A |
| 11) | A |
| 12) | A |
| 13) | D |
| 14) | D |
| 15) | B |