

## FBLA Banking & Financial Systems Sample Questions

***Disclaimer:** These are sample test questions of what a competitor will find in this competition. To view the official study guide, with the knowledge area and objective list, visit the guidelines on the Competitive Events page of the national website at [www.fbla.org](http://www.fbla.org).*

### Concepts & Practices / Basic Terminology

1. Which statement best describes the primary purpose of a cash flow statement?
  - a) Reports profitability over a period
  - b) Shows assets, liabilities, and equity at a point in time
  - c) Details cash inflows and outflows from operating, investing, and financing activities
  - d) Reconciles the bank statement to the general ledger
2. The FDIC's core role in banking is to:
  - a) Supervise securities markets
  - b) Insure deposits at member banks up to statutory limits
  - c) Set the federal funds rate
  - d) Enforce antitrust laws in finance
3. A check clearing system exists primarily to:
  - a) Issue new currency into circulation
  - b) Transfer funds between depository institutions to settle check payments
  - c) Issue mortgage-backed securities
  - d) Approve wire transfers for consumers
4. Which document is used to open and close a teller station at a bank?
  - a) Suspicious activity report
  - b) Teller proof sheet/cash control sheet
  - c) Bank secrecy form
  - d) Loan transmittal form
5. In account servicing, KYC primarily involves:
  - a) Reviewing annual reports
  - b) Verifying customer identity and assessing risk
  - c) Setting loan interest rates
  - d) Posting interest to savings accounts
6. Bank reconciliation refers to:
  - a) Balancing ATMs at close of business
  - b) Matching internal cash ledgers to teller drawers
  - c) Comparing a company's check register with the bank statement to resolve differences
  - d) Posting outstanding deposits to the general ledger
7. Which is not typically part of basic bank services?
  - a) Trust services
  - b) Certificates of deposit
  - c) Futures exchanges
  - d) ATMs and debit cards

8. A secured loan is best defined as credit:
  - a) Based solely on borrower reputation
  - b) That requires collateral to reduce lender risk
  - c) Offered at variable teaser rates only
  - d) Issued only to corporations
9. In bookkeeping, posting means:
  - a) Recording transactions from journals into ledgers
  - b) Printing monthly bank statements
  - c) Reconciling petty cash
  - d) Amortizing a note receivable
10. An IRA is primarily designed to:
  - a) Offer FDIC insurance above legal limits
  - b) Provide tax-advantaged retirement saving
  - c) Replace employer pensions entirely
  - d) Eliminate investment risk

### Federal Reserve, Payments & Operations

11. The Federal Reserve most directly influences:
  - a) Fiscal policy through taxation
  - b) Monetary policy via open-market operations and reserve tools
  - c) SEC enforcement actions
  - d) FDIC insurance premiums
12. The federal funds rate refers to the interest rate:
  - a) Consumers pay on credit cards
  - b) Banks charge each other for overnight reserve balances
  - c) The Fed charges on discount window loans exclusively
  - d) Paid on 10-year Treasury notes
13. ACH payments are typically used for:
  - a) High-value real-time settlements only
  - b) Batch electronic transfers like payroll direct deposits
  - c) Cross-border securities settlement
  - d) In-person cash withdrawals
14. A bank hold placed on a deposited check most directly manages:
  - a) Interest rate risk
  - b) Liquidity and fraud risk from uncollected funds
  - c) Currency translation risk
  - d) Capital adequacy
15. Float in payments most accurately describes:
  - a) Time between loan application and closing
  - b) Time between check deposit and funds availability
  - c) Period of promotional APR on a card
  - d) The maturity extension on a CD

## **Government Regulation of Financial Services**

16. The primary aim of financial regulation is to:
  - a) Maximize bank profits
  - b) Protect consumers, ensure safety and soundness, and promote system stability
  - c) Set market interest rates directly for all loans
  - d) Eliminate competition among banks
17. Record retention laws in finance mainly ensure that:
  - a) Tax authorities can pre-fill returns
  - b) Institutions store, secure, and retrieve financial records for specified periods
  - c) Marketing departments can profile customers
  - d) Auditors avoid sampling
18. Internal and external audits help a bank:
  - a) Select advertising channels
  - b) Assess compliance, controls, and financial reporting accuracy
  - c) Eliminate regulatory exams
  - d) Set the prime rate
19. A compliance breach most likely results from:
  - a) Following KYC procedures
  - b) Violating consumer protection provisions
  - c) Reconciling teller cash daily
  - d) Using dual control for vault access
20. Consumer protection provisions are intended to:
  - a) Increase bank fee revenue
  - b) Provide transparency, fairness, and remedies for customers
  - c) Replace market competition
  - d) Eliminate credit products

## **Technology & Cybersecurity in Financial Services**

21. A core banking system primarily enables:
  - a) Social media marketing
  - b) Real-time posting of deposits, withdrawals, and loan payments
  - c) Outsourced HR functions
  - d) Physical branch security
22. A bank database is best used to:
  - a) Replace financial statements
  - b) Maintain customer and account records with controlled access
  - c) Eliminate audit trails
  - d) Serve as a word processor
23. A spreadsheet in the back office most commonly:
  - a) Executes wire transfers
  - b) Models loan amortization and interest scenarios with formulas
  - c) Replaces the general ledger permanently
  - d) Prints cashier's checks automatically

24. Assisting customers with online banking aligns with which objective?

- a) Ethics and careers
- b) Impact of technology on services
- c) Taxation procedures
- d) Securities underwriting

25. A frontline control to minimize loss is:

- a) Ignoring counterfeit indicators
- b) Single-person vault access
- c) Validating currency and using dual control for cash handling
- d) Disabling transaction logs

### Ethics

26. An example of unethical retail banking conduct is:

- a) Explaining fee schedules clearly
- b) Opening accounts without customer consent ("ghost" accounts)
- c) Using dual control for cash shipments
- d) Escalating a suspected fraud

27. Confidentiality in banking primarily requires that staff:

- a) Share account data with vendors
- b) Limit customer data access to business need-to-know
- c) Post interesting cases on social media
- d) Email statements to any requester

28. "Bait and switch" is best described as:

- a) Offering a teaser rate and honoring it as advertised
- b) Advertising one product but coercing a higher-priced alternative at sale
- c) Providing a rain check when out of stock
- d) Disclosing all material terms up front

29. Identity theft risk rises when:

- a) Multi-factor authentication is enabled
- b) Sensitive information is shared via insecure channels
- c) Paper statements are shredded
- d) Transaction alerts are active

30. A banker demonstrates professional conduct by:

- a) Back-dating loan documents to meet targets
- b) Disclosing conflicts of interest and following policy
- c) Sharing client portfolios at networking events
- d) Overriding controls to "help" a VIP

### Types & Differences of Institutions

31. A credit union is typically:

- a) A for-profit bank serving the general public
- b) A member-owned cooperative offering deposit and loan services
- c) A government agency
- d) A securities exchange

32. An investment bank primarily:
- a) Takes retail deposits and offers checking
  - b) Underwrites securities and advises on M&A
  - c) Issues FDIC insurance
  - d) Operates payment networks for ACH

33. A thrift/savings association historically focuses on:
- a) Commercial cash management only
  - b) Consumer deposits and residential mortgages
  - c) Foreign exchange clearing
  - d) Commodities futures

34. A broker-dealer mainly offers:
- a) Life insurance underwriting
  - b) Execution and custody of client securities trades
  - c) Real-estate escrow only
  - d) FDIC-insured demand deposits

35. Non-bank lenders usually:
- a) Provide insured checking accounts
  - b) Extend credit without taking retail deposits
  - c) Regulate securities markets
  - d) Manage monetary policy

#### **Customer Service & Operations**

36. To handle customer inquiries effectively, frontline staff should first:
- a) Quote fees immediately
  - b) Listen, restate the issue, and access relevant account information
  - c) Transfer all calls to supervisors
  - d) Request a Social Security number before greeting

37. Loan processing typically begins with:
- a) Collateral liquidation
  - b) Application intake and documentation
  - c) Interest refund
  - d) Charge-off

38. The loan closing stage most directly includes:
- a) Underwriting only
  - b) Promissory note execution, lien perfection, and funding
  - c) Credit scoring
  - d) Advertising the loan product

39. A bank's loss prevention program would most likely include:
- a) Eliminating CTR/SAR filing
  - b) Cash limits, surveillance, dual control, and exception reporting
  - c) Removing teller differences logs
  - d) Turning off fraud-monitoring rules

40. Trust services most commonly provide:
- a) FDIC insurance
  - b) Fiduciary management of assets for beneficiaries according to trust terms
  - c) Mortgage servicing rights only
  - d) Credit card interchange

### Careers & Professional Development

41. A personal banker role most often includes:
- a) Trading derivatives
  - b) Opening accounts, needs-based product recommendations, and referrals
  - c) Setting national monetary policy
  - d) Conducting SEC examinations
42. A commercial loan officer primarily evaluates:
- a) Equity index futures
  - b) Business financial statements, cash flow, collateral, and covenants
  - c) Only consumer FICO scores
  - d) Teller over/short logs
43. To meet licensing/certification requirements for finance careers, students should:
- a) Ignore continuing education
  - b) Plan coursework and pursue industry credentials as required
  - c) Avoid professional organizations
  - d) Use only social media tutorials
44. Professional development resources include:
- a) Trade journals and industry training opportunities
  - b) Anonymous blogs only
  - c) Viral videos
  - d) Casual chats

### Taxation

45. Taxable income best means:
- a) All gross receipts regardless of law
  - b) Income subject to tax after allowable exclusions and adjustments
  - c) Total cash deposited in a bank account
  - d) Only wages, excluding interest/dividends
46. A dependent for tax purposes is generally:
- a) Any adult friend
  - b) An individual meeting relationship, residency, and support tests
  - c) Any employee of the taxpayer
  - d) A business partner
47. Exemptions/withholding allowances on a wage form primarily affect:
- a) Credit score
  - b) The amount of payroll tax withheld
  - c) Mortgage rates
  - d) FDIC insurance coverage

48. In basic U.S. tax preparation, credits differ from deductions because credits:
- a) Reduce taxable income
  - b) Reduce tax liability dollar-for-dollar
  - c) Increase AGI
  - d) Are never refundable
49. Good practice in tax return preparation requires:
- a) Estimating numbers without documents
  - b) Referencing current tax code and verifying income, deductions, and credits
  - c) Using prior-year rules only
  - d) Omitting schedules if complex

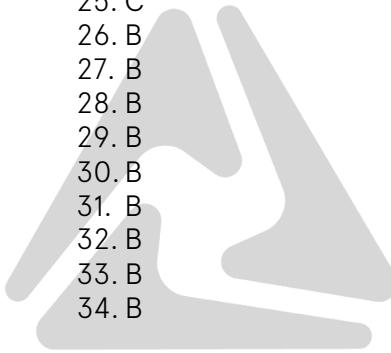
#### **Higher-Order Applications**

50. A team is designing a bank role-play solution. Which approach best meets event criteria?
- a) Present a single idea with no pros/cons
  - b) Describe the scenario, propose multiple alternatives with pros/cons, select a feasible solution, outline implementation and resources
  - c) Skip the problem definition and focus on delivery style
  - d) Read a script without addressing regulations or ethics

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### **Answer Key**

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|-------|-------|-------|
| 1. C  | 18. B | 35. B |
| 2. B  | 19. B | 36. B |
| 3. B  | 20. B | 37. B |
| 4. B  | 21. B | 38. B |
| 5. B  | 22. B | 39. B |
| 6. C  | 23. B | 40. B |
| 7. C  | 24. B | 41. B |
| 8. B  | 25. C | 42. B |
| 9. A  | 26. B | 43. B |
| 10. B | 27. B | 44. A |
| 11. B | 28. B | 45. B |
| 12. B | 29. B | 46. B |
| 13. B | 30. B | 47. B |
| 14. B | 31. B | 48. B |
| 15. B | 32. B | 49. B |
| 16. B | 33. B | 50. B |
| 17. B | 34. B |       |



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