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| **BANKING & FINANCIAL SYSTEMS** |
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| 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 |

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| 2)  | An economic system based on competition, with little or no government interference. |
|  | A) subsidy |
|  | B) communism |
|  | C) free market |
|  | D) enterprise |

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| 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 |

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| 4)  | A \_\_\_ is money borrowed against the credit card limit. |
|  | A) loan |
|  | B) purchase |
|  | C) cash advance |
|  | D) note |

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| 5)  | \_\_\_ occurs at the intersection of the demand and supply curve which indicates no allocative inefficiency. |
|  | A) Equilibrium |
|  | B) Equality |
|  | C) Grouping |
|  | D) Balance |

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| 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 |

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| 7)  | The first bank of the United States was an institution of the government. |
|  | A) True |
|  | B) False |

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| 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 |

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| 9)  | Sage 50cloud, FreshBooks, and NetSuite ERP are all examples of \_\_\_ software. |
|  | A) investing |
|  | B) accounting |
|  | C) marketing |
|  | D) management |

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| 10)  | The banking code of ethics does **not** include: |
|  | A) personal rights |
|  | B) conflict of interest |
|  | C) confidentiality |
|  | D) dishonesty and fraudulent behavior |

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| 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 |

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| 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 |

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| 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 |

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| 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 |

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| 15)  | Which one of the following is currently a tax deduction? |
|  | A) food |
|  | B) interest on home mortgage |
|  | C) vacation expenditures |
|  | D) furniture |

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| 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 |