

Contestant Number: _____

Time: _____

Rank: _____



Personal Financial Management (165)

REGIONAL 2025

CONCEPT KNOWLEDGE:

Multiple Choice (30 @ 2 points each) _____ (60 points)

APPLICATION KNOWLEDGE:

Short Answer (17 @ 3 points each) _____ (51 points)

TOTAL POINTS _____ (*111 points*)

Test Time: 60 minutes

GENERAL GUIDELINES:

Failure to adhere to any of the following rules will result in disqualification:

1. Member must hand in this test booklet and all printouts if any. Failure to do so will result in disqualification.
2. No equipment, supplies, or materials other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests (handwritten, photocopied, or keyed) are allowed in the testing area.
3. Electronic devices will be monitored according to ACT standards.

EXAM GUIDELINES:

You have been hired as a Financial Assistant and will be keeping the accounting records for Digital Solutions, located at 700 Morse Road, Suite 201, Columbus, Ohio 43214. Digital Solutions provides accounting and other financial services for clients. You will complete jobs for Digital Solutions' own accounting records, as well as for clients.

You will have 60 minutes to complete your work. The test is divided into two parts: concept knowledge and application knowledge.

Your name and/or school name should *not* appear on any work you submit for grading. Write your Member ID in the provided space. Staple all pages in order before you turn in your test.

Assumptions to make when taking this assessment:

- Round all calculations to two decimals at the final step.
- Round all percentages to one decimal place.
- Use 360 days for interest calculations.

Multiple Choice Questions

Directions: Identify the letter of the choice that best completes the statement or answers the question.

1. What is the formula $P \times R \times T$ used to calculate?
 - a. compound interest.
 - b. simple interest
 - c. return on investment.
 - d. return on equity.
2. If you have an accident with another car that is your fault, what type of car insurance do you need for the insurance to cover damage to the other car?
 - a. Liability.
 - b. Collision
 - c. Comprehensive.
 - d. Bodily injury.
3. Which type of bankruptcy forces the person filing to sell off their nonexempt assets?
 - a. Chapter 7
 - b. Chapter 11
 - c. Chapter 13
 - d. Chapter 15
4. This type of stock includes voting rights.
 - a. Treasury stock
 - b. Common stock
 - c. Callable stock
 - d. Preferred stock
5. Which of the following individuals would be eligible for a 403(b) retirement plan?
 - a. University professor of a state college
 - b. Certified Public Accountant
 - c. Corporate lawyer who does real estate on the side
 - d. Nurse Practitioner
6. The credit limit on your bank credit card is the_____.
 - a. amount you must pay monthly to avoid late charges.
 - b. amount of money you can borrow against your credit card.
 - c. maximum outstanding balance on your credit card you are allowed to have at any point in time.
 - d. largest purchase you have made since you had your credit card.
7. Which of the following would likely hurt your credit score?
 - a. Paying your bills on time.
 - b. Having a debit card.
 - c. Getting married.
 - d. Applying for multiple credit cards.

8. The amount owed to the doctor's office at the time of your visit is known as a _____.
- premium.
 - co-insurance.
 - co-pay.
 - deductible.
9. What government agency oversees income tax returns?
- Securities and Exchange Commission
 - Federal Reserve
 - Internal Revenue Service
 - Federal Deposit Insurance Corporation
10. What is the calculation for the maturity value of a loan?
- Principal - Interest
 - Principal + Interest
 - Principal / Interest
 - Principal x Interest
11. Which of the following health care services is most likely not covered by health insurance?
- Cosmetic surgery
 - Annual wellness check
 - X-ray on a fractured wrist
 - Prescription medication
12. What credit "C" refers to property offered by the borrower to secure a loan.
- Character
 - Capacity
 - Conditions
 - Collateral
13. Which of the following investments most likely contains the highest risk?
- Treasury bills
 - Certificate of Deposit
 - Penny stock
 - Blue chip stock
14. What date is generally known as "tax day", typically the day Federal Income tax returns are due?
- January 31st
 - March 15th
 - April 15th
 - December 31st

15. Under the Credit Card Act of 2009, which of the following is not allowed to happen?
- a. Credit limits increased on credit cards.
 - b. Custodial bank accounts opened for minors.
 - c. Credit card promotions on college campuses.
 - d. Applying for more than two credit cards.
16. Which of the following would most likely help to reduce the premiums on your homeowner's policy?
- a. Parking your car out front overnight.
 - b. Installing a new home security system.
 - c. Building a wood deck out your back door.
 - d. Using a fireplace to heat your home.
17. Paying for which of the following item represents discretionary spending?
- a. Loaf of bread
 - b. Can of soup
 - c. Mortgage payments
 - d. Ticket to a concert
18. Which tax is not withheld from an employee's paycheck by the employer?
- a. Unemployment tax.
 - b. Income tax.
 - c. Social Security tax.
 - d. Medicare tax.
19. The type of auto insurance that covers the cost of repairs to your car when an accident is your fault is _____.
- a. collision.
 - b. comprehensive.
 - c. liability.
 - d. property.
20. For a traditional IRA, at what age can you begin to make withdrawals without penalty?
- a. 59
 - b. 59 ½
 - c. 60
 - d. 70 ½
21. By what date must employers send Form W-2 to employees each year?
- a. January 31
 - b. April 15
 - c. December 15
 - d. December 31

22. Which of the following pay periods will give you the highest paycheck, assuming an equal annual salary for all options.
- Weekly
 - Semi-monthly
 - Bi-weekly
 - Monthly
23. Which of the following is the best credit score?
- 100
 - 500
 - 700
 - 1,000
24. An estimate of income and expenditures for a period of time is known as a(n) _____.
- loan application.
 - income statement.
 - return.
 - budget.
25. Which of the following retirement accounts typically includes a company match into the employee's account?
- 401(k)
 - IRA
 - Medicare
 - Social Security
26. Who would typically pay a higher premium on their car insurance?
- Retired male
 - Middle-aged female
 - Teenage male
 - Young adult female
27. The United States uses a progressive income tax structure, meaning _____.
- everyone will pay the same flat tax rate.
 - the more dependents you have the higher percentage of taxes you will pay.
 - you don't have to pay income tax after you reach the tax base.
 - the more money you make the higher percentage of taxes you will pay.
28. Interest on which of the following investments is taxable at the Federal level, but tax exempt at state and local levels?
- Treasury Bill
 - Money Market
 - Certificate of Deposit
 - Savings Account

29. How old must you be to have a credit card in your name without showing proof of independent income or having a co-signer?
- 16
 - 18
 - 20
 - 21
30. This form shows the amount of money an independent contractor was paid for a job and will be used to prepare their tax return.
- Form W4
 - Form W2
 - Form 1040
 - Form 1099

Part 2 – Short Answer (3 points each)

1. Corinna has a health insurance policy with a \$250 monthly premium. Her policy carries a \$1,000 deductible, an 80/20 coinsurance split, and an out-of-pocket max of \$2,500. Corinna has a medical procedure performed in March, with a total cost of \$8,000. She then injures her ankle in May. Between the x-rays and the subsequent treatments, the total cost is \$1,400.
- How much does Corinna pay in annual premiums? _____
 - How much will Corinna pay for her March procedure? _____
 - How much will her insurance pay for her March procedure? _____
 - How much will Corinna pay for her May injury? _____
 - How much will her insurance pay for her May injury? _____
2. Carlos graduated college with an Accounting degree, moved to Dallas and rented his own apartment. The rent is \$1,200 per month. To sign the 12-month lease, Carlos must deposit the first two months' rent upfront, as well as a security deposit of 60% of the monthly rent, and a \$500 deposit for having a dog. To help save some money, Carlos brought in a roommate for the last three months of the year's lease, splitting the monthly rent 50/50. His roommate did not pay any deposits when he moved in.
- How much did Carlos pay upfront to sign the lease? _____
 - How much did his roommate pay for the three months? _____
 - What was the total Carlos paid for his apartment during this first year? _____

3. A year ago Keisha, who works as an IT analyst, received a promotion and related raise after her first year of working. She met with a financial advisor and purchased some stocks. Keisha bought 50 shares of Cardinal Inc. @ \$52.60, 15 shares of Ranger Corp. @ \$143.95, and 20 shares of Oriole Company. @ \$110.25. After one year the stock values showed the following: Cardinal Inc - \$58.14; Ranger Corp - \$158.20; Oriole Company - \$123.76

- a. Including a 2% broker's fee, how much did Keisha pay for her stocks? _____
- b. Which stock represents the largest percentage of her portfolio? _____
- c. What percentage increase did Cardinal Inc show for the year? _____
- d. What percentage increase did Ranger Corp show for the year? _____
- e. What is the value of Keisha's portfolio after one year? _____
- f. If Keisha sold all of her shares of Oriole, and paid a 2% broker's fee to do so, how much money would she receive?

4. On March 8, 2025, Nick signed a \$4,600, 120-day, 5.5% note.

- a. What is the amount of interest Nick will pay on the note? _____
- b. What is the maturity value that Nick will pay? _____
- c. On what date will Nick pay back the note? _____