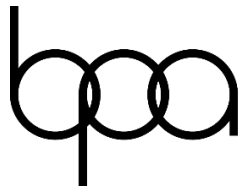


Contestant ID: _____

Time: _____

Rank: _____



**BUSINESS
PROFESSIONALS
of AMERICA**
Giving Purpose to Potential

BANKING AND FINANCE

(145)

REGIONAL 2026

CONCEPT KNOWLEDGE:

Multiple Choice (25 @ 2 points each) _____ (50 points)

Short Answer (8 @ 2 points each) _____ (16 points)

APPLICATION KNOWLEDGE:

Job 1: Endorsements (3 @ 3 points each) _____ (9 points)

Job 2: Reconciliation (11 @ 2 points each) _____ (22 points)

Job 3: Certificate of Deposit (6 @ 3 points each) _____ (18 points)

TOTAL POINTS _____ ***(115 points)***

Test Time: 60 minutes

GENERAL GUIDELINES.

Failure to follow any of these rules may result in disqualification:

1. **Submission Requirements:** Contestants must submit this test booklet along with any printouts.
2. **Permitted Items:** Only the equipment, supplies, and materials specified for this event are allowed in the testing area. Previous BPA tests and sample tests (whether handwritten, photocopied, or typed) are not permitted.
3. **Electronic Devices:** Electronic devices will be monitored according to ACT standards.

EXAM GUIDELINES.

You've been hired as a Financial Assistant to manage the accounting records for Digital Solutions, located at 1365 King Avenue, Columbus, Ohio 43212. Digital Solutions offers accounting and financial services to clients. Your tasks will include managing both the company's and clients' accounting records.

Exam Details:

- **Duration:** You have 60 minutes to complete the exam.
- **Structure:** The test is divided into two parts: Concept Knowledge and Application Knowledge.

Important Instructions:

- **Identification:** Do not write your name or school name on any submitted work. Instead, write your Contestant ID in the provided space.
- **Submission:** Staple all pages in order before turning in your test.

Assumptions for the Exam:

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

Multiple Choice

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

1. In which situation would secured transactions be most relevant?
 - A. When collateral is required
 - B. For unsecured loans
 - C. For small business loans
 - D. In credit card transactions
2. What is the key factor that affects the consumer's choice of credit?
 - A. Income level
 - B. Credit score
 - C. Repayment terms
 - D. Employment history
3. Which is the primary function of banks?
 - A. Choose your investments
 - B. Issue fees and penalties
 - C. Accept deposits and make loans
 - D. Process credit card transactions
4. Which of the following is necessary for an electronic banking service?
 - A. Internet with non-encrypted sites
 - B. Internet with a bank's website or application
 - C. Online shopping site
 - D. Internet access with a credit card
5. It is important to understand the cost of credit to _____.
 - A. avoid unnecessary debt
 - B. manage monthly payments
 - C. compare different options
 - D. increase purchasing power
6. How does a wire transfer differ from a check?
 - A. A wire transfer is quicker but costs more
 - B. A check is written and less secure
 - C. A wire transfer is more secure
 - D. A check has more costs
7. What is the benefit of electronic funds transfer (EFT)?
 - A. Mailed like a check
 - B. Secure with higher costs
 - C. More secure transaction
 - D. Fewer fees and takes more time

8. The primary function of a savings account is to _____.
 - A. earn interest
 - B. withdraw money
 - C. provide liquidity
 - D. transfer funds
9. Which of the following describes the difference between a debit card and a credit card?
 - A. Debit uses available future funds
 - B. Credit allows borrowing funds
 - C. Both use future income
 - D. Both incur transaction fees
10. What is the primary role of the FDIC in the banking industry?
 - A. Insure deposits
 - B. Regulate interest rates
 - C. Oversee bank management
 - D. Facilitate mergers
11. What is one method of protecting personal financial information?
 - A. Shredding documents
 - B. Sharing passwords
 - C. Using public Wi-Fi for transactions
 - D. Leaving personal information unattended
12. What is the first step in opening a checking account?
 - A. Choose a bank and provide identification
 - B. Start writing checks
 - C. Transfer funds from savings
 - D. Receive account statements in the mail
13. How is simple interest calculated?
 - A. $\text{Interest} = \text{Principal} \times \text{Rate} \times \text{Time}$
 - B. $\text{Interest} = \text{Principal} / \text{Rate} \times \text{Time}$
 - C. $\text{Interest} = \text{Rate} \times \text{Time}$
 - D. $\text{Interest} = \text{Principal} \times \text{Time}$
14. How does compound interest differ from simple interest?
 - A. Compound interest grows faster over time
 - B. Simple interest compounds yearly
 - C. Simple interest earns more
 - D. Compound interest does not consider time

15. What government agency insures deposits at most banks and credit unions?
 - A. Federal Reserve
 - B. FDIC
 - C. SEC
 - D. Treasury Department
16. The APR (Annual Percentage Rate) on a loan includes both the interest rate and any additional fees.
 - A. True
 - B. False
17. A higher credit score can result in lower interest rates when applying for credit.
 - A. True
 - B. False
18. A debit card allows you to borrow money from the bank to make purchases.
 - A. True
 - B. False
19. A certificate of deposit (CD) generally offers lower interest rates than a regular savings account.
 - A. True
 - B. False
20. Skimming is a type of bank fraud where thieves use devices to capture credit or debit card information.
 - A. True
 - B. False
21. What federal law requires banks to verify the identity of the individuals opening new accounts?
 - A. Gramm-Leach-Bliley Act
 - B. Bank Secrecy Act
 - C. Patriot Act
 - D. Fair Credit Reporting Act
22. What type of loan is best suited for consolidating high-interest debt?
 - A. Payday loan
 - B. Personal loan
 - C. Mortgage
 - D. Student loan

23. What is a disadvantage of a certificate of deposit (CD)?

- A. Higher interest rates
- B. Limited access to funds
- C. Lower interest rates than savings
- D. Requires frequent deposits

24. What is an essential step when writing a check?

- A. Record the check in your register
- B. Use pencil to write the amount
- C. Leave the memo line blank
- D. Receive account statements in the mail

25. What is the purpose of a cash drawer audit?

- A. To check for errors
- B. To prevent fraud
- C. To reconcile cash totals
- D. To meet reporting requirements

Short Answer

1. You invest \$2,000 in an account that earns 6% interest annually. How much interest will you earn in the first year and how much will your investment be worth after 5 years with simple interest?

2. A savings account earns 4% compound interest annually. If you deposit \$1,000, how much will be in the account after two years? What is the total interest earned?

3. If you open a checking account with an initial deposit of \$1,500 and write the following checks: \$72.16, \$50, \$15.25 and \$125, what is your balance after all the checks clear? What were your total expenses?

4. A student loan of \$8,000 is taken at 5% interest for 10 years. How much interest will you pay over the life of the loan with simple interest?

5. If your gross monthly income is \$4,000 and your monthly debt payments are \$1,200, what is your debt-to-income ratio?

PRODUCTION SECTION

JOB 1: ENDORSEMENTS (3 points each, 9 points total)

Correctly endorse the following checks according to their specific information.

- A. Your grandmother sent you a birthday check for \$50 and you want to deposit it into your checking account:
- B. You are depositing a check using your phone. You bank with Fifth Third Bank. Endorse the check properly.
- C. Your friend, Bob Smith owes you \$20. He writes you a check. You owe another friend, Susan Nesmith \$20. You do not want to write a separate check, so you endorse Bob's check over to Susan. Endorse the check properly.

A.

ENDORSE HERE

☐ CHECK HERE FOR MOBILE DEPOSIT
DO NOT WRITE/ SIGN/ STAMP BELOW THIS LINE

ORIGINAL
DOCUMENT

SECURITY FEATURES
Microprinting around the border on face
Laid lines on back
The words "ORIGINAL DOCUMENT" on back

B.

ENDORSE HERE

☐ CHECK HERE FOR MOBILE DEPOSIT
DO NOT WRITE/ SIGN/ STAMP BELOW THIS LINE

ORIGINAL
DOCUMENT

SECURITY FEATURES
Microprinting around the border on face
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C.

ENDORSE HERE

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ORIGINAL
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JOB 2: RECONCILIATION (2 points each, 22 points total)

Find the balance of your checking after each of the following transactions. The beginning balance is \$2,400.50.

Transaction	Amount	Balance
Beginning Balance		2400.50
Payroll Deposit	1092.42	
Paid rent	850.00	
EFT for electric bill	75.67	
ATM withdrawal	200.00	
ATM fee	6.00	
Deposit of birthday money	175.00	
Paid cable bill	230.00	
Used debit card for groceries	133.46	
EFT for department store bill	439.27	
Wrote check #1225 to IRS	950.00	
Received statement showing monthly service charge	7.50	

JOB 3: CERTIFICATES OF DEPOSIT (3 points each; 18 points total)

Find the interest earned and the maturity value of each CD listed below. Assume simple interest for each CD.

CD Terms	Amount Invested	Interest Earned	Maturity Value
11-month 3.75%	\$7,000		
1-year 3.6%	\$3,000		
5-year 3%	\$500		