

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 create 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