
Student Name: _____

Teacher: _____

Date: _____

District: Wake County

Assessment: 9_12 Shared Courses BF10 - Principles of Business and Finance Test 4

Description: Unit 5 Review

Form: 501

1. A Sears Department Store sales associate gave a customer a form to complete in order to apply for a credit card. Which factor examined by creditors did the customer receive?
- A. Credit application
 - B. Credit bureau credit report
 - C. Documentation of credit data
 - D. Three C's of credit

Please use the following figure for this question.

Month	# of days in month
April	30 days
May	31 days
June	30 days
July	31 days

2. In Figure 2, what is the maturity date for a loan made on April 24 and due in 60 days?
- A. June 22
 - B. June 23
 - C. June 30
 - D. July 1
3. Mary makes prearranged equal payments monthly to Progress Energy. Which type of credit did Mary use?
- A. Charge account
 - B. Consumer loan
 - C. Credit card
 - D. Installment credit

4. Tonya is considering shopping at a Rooms To Go furniture store that advertises the option of payments for a period of three years. Which type of payment option was advertised?
- A. Charge account
 - B. Consumer loan
 - C. Credit card
 - D. Installment credit
5. Josh maintained minimum living expenses while working on his job for the past six years. Which "C" of credit is he MOST LIKELY to meet?
- A. Capacity
 - B. Capital
 - C. Character
 - D. Contract
6. After talking with a Sears customer representative about her overdue balance, Tina implemented a strategy that will minimize her debt. Tina used which type of credit assistance?
- A. Bankruptcy
 - B. Credit counseling
 - C. Credit repair
 - D. Debt repayment plan
7. Which is an example of content for a credit contract?
- A. Repair services fee may apply statement
 - B. June 5th due date for payment
 - C. \$450 worth of merchandise transaction
 - D. May 5th date of last transaction
8. Capital Bank reported that John has both savings and checking accounts with its financial institution. Which factor for granting credit related to documentation is this institution's action?
- A. Credit application
 - B. Credit bureau credit report
 - C. Credit data
 - D. Three C's of credit

9. Chase Mortgage Company sends quarterly summaries of transactions. Which type of document does the company send?

- A. Business credit application
- B. Credit report
- C. Personal credit application
- D. Statement of account

Please use the following chart for this question.

Month	# of days in month
January	31 days
February	28 days
March	31 days
April	30 days

10. In Figure 1, what is the maturity date for a loan made on February 1 and due in 15 days?

- A. February 28
- B. February 12
- C. February 16
- D. Febraury 28

11. While shopping among several stores, Tina charged over \$700 worth of home improvement supplies. Which type of credit did Tina use?

- A. Charge account
- B. Consumer loan
- C. Credit card
- D. Installment credit

12. Justin paid \$20 at the end of a doctor's visit and agreed to pay the balance in 30 days. He will avoid any cost for this credit. Which type of credit did Justin use?

- A. Charge account
- B. Consumer loan
- C. Credit card
- D. Installment credit

13. ABC Rental Company requires applicants to verify reputation for paying bills in order to determine potential credit risk. Which factor examined by creditors does the company require?
- A. Credit application
 - B. Credit contract
 - C. Credit report
 - D. Statement of account
14. Which is an example of a service provided by a credit bureau?
- A. Credit counseling for customers
 - B. Credit reports to other businesses
 - C. Statement of accounts to customers
 - D. Credit applications to applicants
15. Tim has the option of borrowing \$5,000 at a 3% interest rate from a local bank. Which loan option would allow Tim to pay the LEAST amount of money?
- A. Option 1: loan for 6 months
 - B. Option 2: loan for 12 months
 - C. Option 4: loan for 18 years
 - D. Option 3: loan for 24 months
16. Han sued a furniture store that verified it provided inaccurate information about his credit history. Which regulation would protect him in having the information corrected?
- A. Consumer Credit Reporting Reform Act
 - B. Equal Credit Opportunity Act
 - C. Fair Credit Reporting Act
 - D. Fair Debt Collections Act
17. A bank loaned Doug \$4,500 for 24 months. Which type of credit did he accept?
- A. Charge account
 - B. Consumer loan
 - C. Credit card
 - D. Installment credit
18. Jenny charged \$300 worth of gifts while shopping at several stores. Which type of credit did Jenny use?
- A. Charge account
 - B. Consumer loan
 - C. Credit card
 - D. Installment credit

19. Ted issued credit cards to all his employees so they could charge necessary products and services that are work-related. Which advantage is Ted MOST LIKELY to accomplish by viewing the monthly statement of account for the credit cards?
- A. Earn rewards
 - B. Establish favorable credit rating
 - C. Keep track of spending
 - D. Monitor theft of customer records/database
20. Jenny has the option of borrowing \$300 at a 3% interest rate. Which loan option would cost her the most money?
- A. Option 1: loan for 2 months
 - B. Option 2: loan for 3 months
 - C. Option 3: loan for 6 months
 - D. Option 4: loan for 1 year
21. JCPenney makes sure all applicants are creditworthy before issuing any of them credit cards. Which regulation is JCPenney adhering to?
- A. Consumer Credit Reporting Reform Act
 - B. Equal Credit Opportunity Act
 - C. Fair Credit Billing Act
 - D. Fair Credit Reporting Act
22. Walden Book Store obtained information about Ann's reputation for paying her bills. Which factor examined by creditors did the store receive?
- A. Credit application
 - B. Credit report
 - C. Receipts
 - D. Statement of account
23. Mary paid only \$50 for unauthorized charges made to her Capital One MasterCard. Which regulation protected her?
- A. Equal Credit Opportunity Act
 - B. Fair Credit Billing Act
 - C. Fair Credit Reporting Act
 - D. Truth-in-Lending Law

24. A chef allowed potential customers to taste sample dishes with plans for them to purchase several after the tastings. This is an example of which type of insurance risk?
- A. Insurable
 - B. Non-economic
 - C. Speculative
 - D. Uninsurable
25. A distributor remodeled its facilities in order to offer a variety of supplies to its customers. This is an example of which type of insurance risk?
- A. Controllable
 - B. Non-economic
 - C. Speculative
 - D. Uninsurable
26. The Electronics Company hires local delivery companies to set up equipment. How does the company handle the risks of setting up equipment?
- A. Assume
 - B. Avoid
 - C. Insure
 - D. Transfer
27. What do hospital and surgical types of insurance have in common in reference to availability? Both are available through:
- A. a comprehensive policy.
 - B. major medical insurance.
 - C. regular medical insurance.
 - D. state government assistance.
28. What do insuring personnel and property have in common?
- A. Both provide coverage for cost of risks.
 - B. Both provide coverage for day-to-day routines.
 - C. Both provide coverage for long-term care.
 - D. Both provide coverage for loss of investments.
29. Which is an example of uninsurable risks?
- A. Ford Motor Company claims damages of cars as necessary.
 - B. Josh overhauls machine motors.
 - C. Tammy travels to Texas to negotiate contracts for steel beams.
 - D. A competitor of The Red Box is concerned about it renting movies for only \$1.

30. A company agreed to compensate customers with \$30 for those who experienced damages while using irons produced by the company. This is an example of which type of insurance risk?
- A. Economic
 - B. Pure
 - C. Uncontrollable
 - D. Uninsurable
31. A real estate agent has the responsibility to showcase several homes in order to sell to potential customers. How is the agent currently handling the risks?
- A. Assume
 - B. Avoid
 - C. Insure
 - D. Transfer
32. ABC Investment Company invested over \$300,000 obtained from their clients. The company gained 5% as a return on its investment. This is an example of which type of insurance risk?
- A. Controllable
 - B. Economic
 - C. Insurable
 - D. Speculative
33. Which is an example of uninsurable risks?
- A. FedEx covers property damaged by its drivers.
 - B. Kroger Grocery Store has liability coverage.
 - C. PDQ's competitors are now picking up packages from residential homes.
 - D. Tessa is receiving compensation after being injured at work.
34. Cashiers can now manage several registers from a computerized station that will allow several customers to check out their groceries at one time. Which uninsurable risk is this?
- A. Consumer demand
 - B. Economic conditions
 - C. Local factors
 - D. Technology change

35. Fred's Electric Company receives daily over thirty service orders. The company's manager refers some of the orders to another company, since she wants to maintain a reputation of completing orders in a timely manner. How did the company handle the risks?

- A. Assume**
- B. Avoid**
- C. Insure**
- D. Transfer**

36. A store relocated to a larger building with plans to increase its profits and target market. This is an example of which type of insurance risk?

- A. Controllable**
- B. Non-economic**
- C. Speculative**
- D. Uninsurable**

37. The Whole Foods Market provides workshops on how to prepare healthy meals. During the past three months, the attendance increased over 40%. This is an example of which type uninsurable risk?

- A. Consumer demand**
- B. Economic conditions**
- C. Local factors**
- D. Technology change**

38. A local food company filed an insurance claim to compensate employees who lost personal belongings in a company fire. This is an example of which type of insurance risk?

- A. Economic**
- B. Pure**
- C. Uncontrollable**
- D. Uninsurable**

39. A-1 Cleaning Company has a contract with another company to take care of its customers' delicate fabrics. How does the company handle these risks?

- A. Assume**
- B. Avoid**
- C. Insure**
- D. Transfer**

40. It would cost a cosmetic company at least \$1.49 for each bottle in order to produce a new line of shampoo. The company decided to continue with its original production instead of adding the new product. How did the company handle the potential risks?
- A. Assume
 - B. Avoid
 - C. Insure
 - D. Transfer
41. GEICO Insurance Company opened several new offices to accommodate requests of policy holders for face-to-face contacts. This is an example of which type of uninsurable risk?
- A. Consumer demand
 - B. Economic conditions
 - C. Local factors
 - D. Technology change
42. Barry's Pawn Shop accepts jewelry and electronics from customers all the time. The pawn shop waits the designated time for customers to return and retrieve their items. How does the shop handle risks?
- A. Assume
 - B. Avoid
 - C. Insure
 - D. Transfer
43. Home Depot has to reorder Scott's Lawn Care seeds more often than planned due to increased purchases by customers. This is an example of which type of uninsurable risk?
- A. Consumer demand
 - B. Economic conditions
 - C. Local factors
 - D. Technology change
44. ABC Television Station changed its lineup of shows in response to a survey completed by viewers. The station planned to increase its number of viewers for a season. How has the company handled the risks?
- A. Assume
 - B. Avoid
 - C. Insure
 - D. Transfer

45. Many newspapers are experiencing fewer subscribers since more subscribers are now obtaining news from the Internet. This is an example of which type uninsurable risk?

- A. Business operations**
- B. Economic conditions**
- C. Local factors**
- D. Technology change**