POB 4.01-4.03 Exam Review WS Name: Date:

* Explain the terms revenue, expenses, profit, and loss.
* What are the 4 steps in planning a budget?
* Identify and describe the 3 types of budgets.
* Explain the difference between assets and liabilities.
* What information is recorded on a balance sheet?
* What information is recorded on an income statement?
* Complete the chart below with the formula and what information the ratio provides a business.

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| --- | --- |
| CURRENT RATIO | DEBT TO EQUITY RATIO |
| RETURN ON EQUITY RATIO | NET INCOME RATIO |

* Explain the difference between a deposit institution and a non-deposit institution.
* Identify the 4 types of deposit institutions.
* Identify the 6 types of non-deposit institutions.
* Identify and briefly describe the 5 factors affecting the selection of a financial institution.
* What is EFT? Where do we use EFT?
* Explain the difference between a payee, a drawee, and a drawer.
* Identify the 7 steps in the proper check writing procedure.
* Explain the difference between a certified check, a cashier’s check, a traveler’s check and a money order.
* Define endorsement.
* Explain the difference between a blank endorsement, a special (full) endorsement, and a restrictive endorsement.
* Identify the 6 steps in a bank reconciliation.
* What is the Federal Reserve System and why does it exist?
* Identify 7 functions/services provided by the Fed.



* Label the parts of a check.
* Explain the difference between saving and investing.
* Explain the difference between a savings account, a certificate of deposit (CD) and a money market account.
* Explain the difference between simple interest and compound interest. Include the formulas for both!
* What are dividends?
* Identify and briefly describe the two types of stocks.
* What is market value? Identify at least 2 factors that can affect market value.
* Identify the 4 steps in the stock selection process.
* What does yield mean?
* What is a price-earnings ratio and what does it tell you?
* What is a bond? Identify the 4 types and briefly describe each.
* What is a mutual fund?
* What does liquidity mean?
* What does APY mean?
* Define each of the following types of “alternative investments” – real estate, futures/commodities, and collectibles.

**✔Complete Unit 4.00 Vocats Exam Practice on BB (you need at least a 27 out of 30)**

**✔Complete the assigned 4.01, 4.02, and 4.03 Quia Reviews – Linked on BB (you need at least 3 min. on each game)**