**5.01**

\_\_\_\_\_1. A bank loaned Doug $4,500 for 24 months. Which type of credit did he accept?

\_\_\_\_\_2. 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?

\_\_\_\_\_3. 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?

\_\_\_\_\_4. 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?

\_\_\_\_\_5. Walden Book Store obtained information about Ann's reputation for paying her bills. Which factor examined by creditors did the store receive?

\_\_\_\_\_6. Chase Mortgage Company sends quarterly summaries of transactions. Which type of document does the company send?

\_\_\_\_\_7. While shopping among several stores, Tina charged over $700 worth of home improvement supplies. Which type of credit did Tina use?

\_\_\_\_\_8. Jenny has the option of borrowing $300 at a 3% interest rate. Which loan option would cost her the most money?

\_\_\_\_\_9. 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?

\_\_\_\_\_10. Which is an example of content for a credit contract?

\_\_\_\_\_11. Which is an example of a service provided by a credit bureau?

\_\_\_\_\_12. In Figure 2, what is the maturity date for a loan made on April 24 and due in 60 days?

|  |  |
| --- | --- |
| Figure 2 | |
| Month | # of days in month |
| April | 30 days |
| May | 31 days |
| June | 30 days |
| July | 31 days |

\_\_\_\_\_13 Mary makes prearranged equal payments monthly to Progress Energy. Which type of credit did Mary use?

\_\_\_\_\_14 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?

\_\_\_\_\_15 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?

\_\_\_\_\_16Sky Blue Credit Repair Company assists clients with spending less on debt and eliminating credit problems. With which type of credit assistance does the company provide?

\_\_\_\_\_17 JCPenney makes sure all applicants are creditworthy before issuing any of them credit cards. Which regulation is JCPenney adhering?

\_\_\_\_\_18 Jenny charged $300 worth of gifts while shopping at several stores. Which type of credit did Jenny use?

\_\_\_\_\_19. Mary paid only $50 for unauthorized charges made to her Capital One MasterCard. Which regulation protected her?

\_\_\_\_\_20. 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?

\_\_\_\_\_21. What is the interest amount for the following loan: $10,000 car loan for 5 years at 8% interest rate?

\_\_\_\_\_22. In Figure 1, what is the maturity date for a loan made on February 1 and due in 15 days?

|  |  |
| --- | --- |
| Figure 1 | |
| Month | # of days in month |
| January | 31 days |
| February | 28 days |
| March | 31 days |
| April | 30 days |

\_\_\_\_\_23. 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?

\_\_\_\_\_24. 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?

\_\_\_\_\_25. 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?

1. $4,000
2. Capacity
3. Charge account
4. Charge account
5. Consumer loan
6. Credit application
7. Credit card
8. Credit card
9. Credit counseling
10. Credit data
11. Credit report
12. Credit report
13. Credit reports to other businesses
14. Debt repayment plan
15. Equal Credit Opportunity Act
16. Fair Credit Reporting Act
17. February 16
18. Installment credit
19. June 23
20. Keep track of spending
21. Option 1: loan for 6 months
22. Option 4: loan for 1 year
23. Repair services fee may apply statement
24. Statement of account
25. Truth-in-Lending Law

**5.02**

\_\_\_\_\_1. 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?

\_\_\_\_\_2. 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?

\_\_\_\_\_3. 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?

\_\_\_\_\_4. 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?

\_\_\_\_\_5. 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?

\_\_\_\_\_6.Which is an example of uninsurable risks?

\_\_\_\_\_7. 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?

\_\_\_\_\_8. 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?

\_\_\_\_\_9. 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?

\_\_\_\_\_10. 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?

\_\_\_\_\_11. 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 uninsurable risk?

\_\_\_\_\_12. 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?

\_\_\_\_\_13.What do insuring personnel and property have in common?

\_\_\_\_\_14. 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?

\_\_\_\_\_15.What do hospital and surgical types of insurance have in common in reference to availability? Both are available through:

\_\_\_\_\_16. 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?

\_\_\_\_\_17. The Electronics Company hires local delivery companies to set up equipment. How does the company handle the risks of setting up equipment?

\_\_\_\_\_18. 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?

\_\_\_\_\_19. 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?

\_\_\_\_\_20. 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?

\_\_\_\_\_21. A sales associate encourages customers to try on outfits in order to have an experiences with the clothes. He/she planned for the experiences to convince the customers to purchase the clothes. This is an example of which type of insurance risk?

\_\_\_\_\_22. 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?

1. a comprehensive policy.
2. Assume
3. Assume
4. Assume
5. Avoid
6. Both provide coverage for cost of risks.
7. Consumer demand
8. Consumer demand
9. Consumer demand
10. D. Technology change
11. Economic
12. Economic
13. PDQ's competitors are now picking up packages from residential homes.
14. Speculative
15. Speculative
16. Speculative
17. Speculative
18. Speculative
19. Technology change
20. Transfer
21. Transfer
22. Transfer