

Finance

Customized Written Assessment
Test Code: 8618 Version: 01

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Instructions for Taking the Written Assessment

1. Fill in ALL of the information requested on the Participant Answer Sheet with a soft black lead No. 2 pencil. Every field must be completed in order to ensure your answer sheet is scored properly. The test administrator will provide you with instructions for completing the *Participant Information and Test Information* portions of the answer sheet.
2. Use only as many of the response spaces on the answer sheet as are required for this test. Record your written responses in the section of the answer sheet labeled Written Test and your performance responses in the section of the answer sheet labeled Performance Test.
3. Mark each item by darkening the corresponding circle with a No. 2 pencil for the answer choice you think is correct.
4. Erase completely any answer you want to change and then darken the circle for the answer you believe to be correct. You must erase your first mark completely; failure to do so may result in a wrong reading by the scanner.
5. Mark only one answer for each test item. Items marked with more than one choice are automatically scored as incorrect. You should answer all items to the best of your ability. Items left blank are automatically scored as incorrect.
6. Erase any stray marks on the answer sheet as these may lower your score.
7. If you need to return to a question, place a check in the margin of the test booklet and return to it for additional consideration after you have completed the last question.
8. Look over your answer sheet when you have finished and darken any marks that are not black and shiny.

NOTE: the test proctor will announce the time limit for this test.

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Directions: Each of the questions or incomplete statements listed below is followed by four possible answers. Read each question carefully and completely before you attempt to select an answer. Choose the response that you believe best answers the question or completes the statement. Completely fill in the circle containing the letter of your choice on the answer sheet. If you make a mistake, be sure to erase completely.

A nonprogrammable calculator may be used for this test.

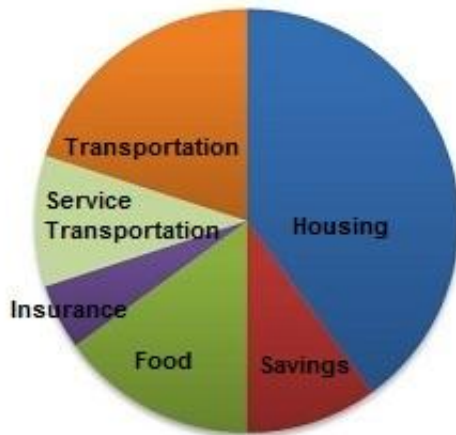
BUSINESS

- What would be the best method to follow when researching a subject for a term paper?
 - Interview people, Google search the subject, and create an outline that defines how you wish to write your paper.
 - Think about your topic and then make a plan, use the internet to research your subject, create an outline to follow, and then complete your paper.
 - Think about your topic, create a plan of attack write an outline to follow, use a variety of authentic information sources that can be documented, write a rough draft of your paper, make any modifications, and then create your final copy.
 - Create an outline to follow, write a rough draft, research any type of information that you did not know, proofread your rough draft, do additional research including Twitter, make any modifications to your rough draft, and then complete your final copy.
- Tax forms can be downloaded from which of the following websites?
 - IRS.gov
 - OOH.com
 - Practicalmoneyskills.com
 - Employment.com
- This month's sales figures will be better than last month's. Who's projector was reported out of order?
 - Both sentences are grammatically incorrect.
 - Both sentences are grammatically correct.
 - Only the first sentence is grammatically correct.
 - Only the second sentence is grammatically correct.
- Which of the following people must sign a tax return?
 - the taxpayer
 - the taxpayer's spouse
 - the person who prepared the tax return
 - all of these (as the situation requires)
- Match the appropriate form of communication to the workplace situation: You arrive at the scheduled meeting location, but no one is there. You need to quickly find out if the meeting time or location was changed.
 - text messaging
 - face-to-face
 - email

6. Match the appropriate form of communication to the workplace situation: You need to ask a question of a colleague, but you can wait for the response until tomorrow. You also need to keep a record of the communication.
- A. text messaging
 - B. face-to-face
 - C. email
7. Match the appropriate form of communication to the workplace situation: You want to teach your new employee how to log on to the computer system at your office.
- A. text messaging
 - B. face-to-face
 - C. email
8. What is the first step a cardholder should take to correct a discrepancy on a credit card bill?
- A. contact the creditor
 - B. stop making payments to the credit card company
 - C. close the account
 - D. ignore the discrepancy and do nothing
9. Business Career Clusters include all the following EXCEPT
- A. biology
 - B. accounting
 - C. finance
 - D. marketing
10. A career is considered to be an important value in most peoples' lives, because it influences
- A. job satisfaction
 - B. goals
 - C. friendships
 - D. all of the above
11. Your meeting is not going well. Some team members are criticizing other people's ideas as ridiculous. Other team members are sending personal text messages and chatting about weekend activities. Your group is far behind schedule on this project. What can the team leader do to help the team be more successful and productive?
- A. remind the team of proper meeting etiquette, i.e. Code of Cooperation
 - B. yell and scream at the group
 - C. ask those "bad" team members to leave
 - D. promptly end the meeting
12. Arriving at work on time shows a personal quality known as
- A. procrastination
 - B. dependability
 - C. punctuality
 - D. honesty
13. What is the best way to resolve a conflict with a coworker?
- A. on the phone
 - B. through a text message
 - C. through an email
 - D. in person

14. When a team project goes badly, who is responsible?
- A. all members of the team
 - B. the team leader
 - C. you as an individual
 - D. no team member
15. You are on the company committee to set a new sales goal. Which element below is **NOT** important in your considerations?
- A. Your goal should be specific.
 - B. Your goal should have a clear time frame.
 - C. Your goal should help you decide which action to take next.
 - D. Your goal needs to ensure that the company down the street will liquidate within 6 months.
16. Which of the following are effective team skills?
- A. setting goals
 - B. listening
 - C. following directions
 - D. all of the above
17. You are sitting in a meeting and your cell phone vibrates that a text message has arrived. Which is the appropriate response in the work place?
- A. ignore it, and answer it during a break
 - B. leave the meeting to answer the text
 - C. answer the text immediately
 - D. hold your phone under the table and discretely text a reply
18. Which of the following is a disadvantage of email?
- A. It is inexpensive.
 - B. It results in a lack of privacy.
 - C. It is convenient.
 - D. It is fast.
19. You are considering starting a new business. Which is your **best** option for reliable advice?
- A. a professional at the small business administration
 - B. research it on Wikipedia
 - C. a math teacher at school
 - D. your best friend
20. Ethics are
- A. principles of morality or rules of conduct
 - B. the law
 - C. security procedures
 - D. training requirements

21. Using the pie chart below, identify the top three largest expenses in your budget.



- A. housing, transportation, food
 B. housing, service, savings
 C. service, savings, insurance
 D. food, transportation, saving
22. Businesses are concerned about hiring ethical employees. Before hiring, a business could conduct a
- A. police check
 B. lie detector test
 C. an Internet search
 D. all of the above

23. The Code of Conduct for a major publishing house states in part, "The Domsday Publishing House and its employees must, at all times, comply with all applicable laws and regulations. All business conduct should be well above the minimum standards required by law. The Domsday Publishing House expects its employees to conduct themselves in an honest and businesslike manner." Employees must not use their positions, or the knowledge gained as a result of their positions, for private or personal advantage. Assuming you are an employee at Domsday Publishing House, which of the following examples would **NOT** be in violation of the Code of Conduct?
- A. accepting a gift from an author who has submitted a manuscript for review
 B. submitting travel bills for reimbursement related to personal travel
 C. using your cell phone to conduct personal business during your lunch hour
 D. sharing the plot from a submitted manuscript with a friend who is writing a book
24. Which of the following is an unethical loan practice?
- A. overstating income on loan application
 B. listing all of your assets on a loan application
 C. listing all of your liabilities on a loan application
 D. indicating whether you rent or own your home

25. You think your coworker or supervisor is sexually harassing you on the job. What should you do first?
- A. confront the individual
 - B. report the behavior to a supervisor
 - C. make a formal charge of harassment with the EEOC
 - D. none of the above
26. Bill Jones is an account representative for ACME Plastic Corporation. He works somewhat closely with Bob Smith, who works in the same capacity for a competitor to ACME. Bill ends up in a salary dispute with ACME and quits the company. Bill then gives all of his account information to Bob Smith. What are the possible ramifications of Bill's actions?
- A. ACME could place a hold on Bill's final check.
 - B. ACME can take Bill's 401K money away.
 - C. ACME will tell Bill that he has not acted ethically and faces possible legal repercussions.
 - D. ACME will try to hire Bob Smith, since he now has company information.
27. You walk by an ATM in a mall. You see a bank debit card that was left there by a previous user. You look around and there is no one nearby to claim the card. If you leave it there, someone may find it. What should you do?
- A. leave the card there and walk away
 - B. try to use the card
 - C. destroy the card
 - D. take the card to the mall security department
28. You make a payment on your credit account at a customer service center. The worker, who is new and in training, accidentally credits your account for more than you paid. For example, you gave her \$25 and she credited your account for \$50. What should you do?
- A. not say anything
 - B. tell the employee you were credited for the wrong amount
 - C. wait a couple of days and see if the error is found by the employee
 - D. none of the above
29. Which software program would you use to make a demonstration to a group that will be projected onto the wall?
- A. presentation software such as MS PowerPoint
 - B. word processing software such as MS Word
 - C. workbook software such as MS Excel Spreadsheets
 - D. desktop publishing software such as Adobe InDesign
30. A budget is best prepared using which of the following software programs?
- A. spreadsheet
 - B. word processing
 - C. presentation
 - D. social networks

31. Which software program would you use to analyze which cell phone provider is best for your business?
- A. workbook software such as MS Excel Spreadsheets
 - B. presentation software such as MS PowerPoint
 - C. word processing software such as MS Word
 - D. desktop publishing software such as Adobe InDesign
32. Which of the following is a disadvantage of online banking?
- A. ability to transfer money from one account to another
 - B. technical difficulties with the bank website
 - C. enables you to access your account any time, day or night
 - D. ability to pay bills online
33. Your company sets passwords for all employees for access into the programs they use for daily operations of the business. Your sister works in China and is looking for a good example of a document. You know that you have access to one that would be perfect for her to use. Choose the best option below.
- A. Draft a contract for your sister to sign promising not to pass this information on to anyone, and then tell her your password over the phone.
 - B. Attach a copy of a completed form in an email to her and explain how to use the information.
 - C. Copy the completed form on your company's copy machine, and send it to her with details on how your company uses it.
 - D. Do some online research to find a similar form on a public website. Email her the link and some details about how you think it could help her.
34. The following is a list of security procedures to follow for online banking EXCEPT
- A. be sure to not share your passwords
 - B. do not stay logged onto the computer while unattended
 - C. do reply to an email asking you to give bank account number and password
 - D. password should include a combination of numbers and letters
35. "Going green" would include sending out a 20-page business report electronically rather than providing paper copies.
- A. True
 - B. False

FINANCE

36. Which of the following is **NOT** a source of personal income?
- A. salary
 - B. hourly wage
 - C. bonus
 - D. car payment
37. Interest on a savings account is income.
- A. True
 - B. False
38. Monetary gains from investments (stocks, bonds) are a form of personal income.
- A. True
 - B. False
39. What is an example of income?
- A. wages
 - B. taxes
 - C. needs
 - D. ATM
40. If expenses were to exceed income on a spending plan (budget), what would be a financially smart solution?
- A. decrease expenses
 - B. use a credit card more often
 - C. earn less income
 - D. increase purchases
41. In financial planning, what is defined as a "want?"
- A. something unnecessary but desired
 - B. a fundamental belief or practice about what is desirable and worthwhile
 - C. something thought to be a necessity
 - D. "wants" are not considered in financial planning
42. For the majority of people, the largest major expenditure is which of the following?
- A. housing
 - B. transportation
 - C. insurance
 - D. entertainment
43. Which of the following defines a budget?
- A. a plan to match spending with savings
 - B. a plan to increase income
 - C. a plan to match expected income with expected outflow
 - D. a plan to decrease your wants and needs
44. Two taxes that are included within the Federal Insurance Contribution Act (FICA) are
- A. Social Security and Medicare
 - B. federal and state income taxes
 - C. Social Security and 401K
 - D. national health insurance and employment tax

A calculator may be used for the following question.

45. Sue is working for a bank. She earns \$8.00 an hour, works 40 hours per week, and gets paid every two weeks. With each paycheck, she pays \$63.08 into federal withholdings, \$33.31 into state withholdings, and \$42.05 into FICA. What is Sue's net pay on this paycheck?
- A. \$320.00
 - B. \$501.56
 - C. \$576.92
 - D. \$640.00
46. What is normally the largest type of deduction taken from a paycheck?
- A. taxes
 - B. disability insurance
 - C. charity
 - D. life insurance

Refer to the monthly pay stub visual to answer the following question. A calculator may be used.

47. View the employee's monthly pay stub shown. Calculate the gross pay for this current check stub.

<i>Java Hut – Coffee to Go</i>				
Employee	Employee Number	Check #	Check Amount	
Employee Address 123 Park Street		164		
	Gross Pay	Deductions	Current	Year-to-date
Hours-Regular	173	Federal Withholding	\$311.40	\$3,066.15
Hours-Overtime	0	FICA	\$128.71	\$2,101.51
			\$30.10	\$427.13
		Medicare	\$0.00	\$0.00
			\$50.00	\$500.00
Rate:	\$12.00/hr	Medical Insurance		
		Totals	\$520.21	\$6,094.79
<i>Pay Period</i>				

- A. \$1,555.79
- B. \$2,076.00
- C. \$2,596.21
- D. \$4,018.79

48. Which form is an employee required to complete when beginning a new job?
- A. Form W-4
 - B. 401K
 - C. Form W-2
 - D. 1040 EZ
49. Which tax form would a teenager most likely complete to report income to the IRS?
- A. 1040 EZ
 - B. 1040 A
 - C. 1040
 - D. W-4
50. Income tax is an example of which type of tax?
- A. regressive
 - B. progressive
 - C. proportional
 - D. excise
51. You must file your federal income tax return no later than
- A. December 31
 - B. January 1
 - C. February 1
 - D. April 15
52. As you earn more income, your federal withholding taxes decrease.
- A. True
 - B. False
53. The United States (federal) government collects income taxes.
- A. True
 - B. False

54. When you write “For Deposit Only” on the back of the check above your signature, you are using the _____ endorsement.
- A. restrictive
 - B. full
 - C. blank
 - D. special

55. Calculate the sub-total and total to be deposited from the deposit slip below.

	Coins	12.25
	Currency	
	Checks	200.00
		140.00
	Subtotal	A1?
	Less cash received	30.00
	Net Deposit	A2?

- A. A1: \$352.25 A2: \$322.25
- B. A1: \$360.00 A2: \$382.25
- C. A1: \$370.00 A2: \$242.25
- D. A1: \$382.25 A2: \$352.25

56. Calculate the balance of the check register below.

Ref	Description	Checks	Deposit	Balance
				500.00
105	Cell Phone Billing	60.00		
Debit	Gasoline	30.00		
Card				
Deposit	Paycheck from Work		300.00	
			Ending Balance	Q1?

- A. \$290.00
- B. \$590.00
- C. \$710.00
- D. \$890.00

57. Your account register shows a balance of \$318.40. If you make the following transactions, what will your register balance read?

Write Check #321: \$22.86
 Write Check #323: \$5.12
 Use your debit card: \$12.18
 Make a deposit of: \$130.00

- A. \$148.24
- B. \$310.00
- C. \$400.00
- D. \$408.24

58. The depositor's record of checking account transactions is known as a

- A. canceled check
- B. checkbook register
- C. check
- D. stop payment

59. You received a bank statement showing a balance of \$520.00. Your register showed a balance of \$510.74. The following checks have not cleared:

Check #332 for \$5.26
Check #353 for \$10.00
A \$6.00 service charge was applied to your account.

What is the reconciled balance of your register and statement?

- A. \$410.00
 - B. \$504.74
 - C. \$510.74
 - D. \$535.26
60. Your check register should keep track of which of the following transactions?
- A. debit card transactions
 - B. deposit transactions
 - C. check writing transactions
 - D. all of the above
61. Compounding interest is best defined as
- A. earning interest on interest
 - B. any form of interest earned from saving or investing
 - C. the effect interest has on the total return on investment
 - D. interest earned on the principal investment

62. What does "pay yourself first" mean?

- A. An individual should set aside a predetermined amount of money for saving before using any of that money for spending.
- B. An individual should save whatever money is left over after paying current bills.
- C. An individual should pay all fixed expenses before paying any flexible expenses.
- D. An individual should spend money on the items and activities enjoyed in life before paying any other expenses.

63. A method to make regular savings easier is

- A. savings accounts
- B. certificates of deposit
- C. automatic payroll savings deduction
- D. money market accounts

64. A diversified investment portfolio is desirable because it

- A. decreases risk by investing money in a variety of investment tools
- B. increases the risk/return ratio
- C. limits investors choices to only one or two investment tools
- D. indicates an investor is a good predictor of the return an investment will have

65. The relationship between risk and return in investing can be stated as

- A. higher risk indicates higher return
- B. higher risk indicates lower return
- C. lower risk indicates higher return
- D. no relationship exists between risk and return

66. Which of the following is **NOT** true in regards to investing in stock?
- A stockholder will always receive a profit when the stock is sold.
 - A stockholder owns part of a company.
 - Depending upon the current market price, stockholders may pay different prices for the same stock.
 - A stockholder may or may not receive a dividend.
67. The function of the Federal Deposit Insurance Corporation (FDIC) is to
- insure member depository institutions against loss
 - control the amount of money and credit available to the public
 - offer discount bonds for 50 percent of the face value
 - provide the system for cashing checks and electronic transactions
68. What is a bond?
- a type of debt that a company issues to investors for a specified amount of time
 - a share of ownership in a company
 - a type of investment that is only offered by depository institutions
 - a type of Certificate of Deposit with a higher than average interest rate
69. Select the least risky investments from the list below (according to the pyramid of investing).
- bank CDs
 - mutual funds
 - individual stocks
 - commodities and penny stocks
70. The rule of 72 can be used to
- figure the length of time needed to double your investment
 - figure your age to retirement
 - compute social security earnings
 - compute stock earnings per share
71. How can a cardholder avoid paying interest on a credit card?
- Pay the balance in full every month.
 - Only use a credit card for balance transfers.
 - Interest is always paid on a credit card.
 - Pay the minimum balance every month.
72. Paying the minimum payment on a credit card every month will
- make the final amount paid substantially higher than the amount initially charged to the card
 - pay a large percentage of the total balance owed every month
 - help the cardholder create a plan for paying off a credit card in a decent amount of time
 - allow the cardholder to avoid paying any interest charges
73. If you pay cash for a new vehicle, it will cost you \$22,000. If you decide to take out a loan for the car, making payments over 3 years, you will pay a total of \$25,000. What is the cost of credit for this purchase?
- \$3,000
 - \$22,000
 - \$25,000
 - \$28,000

74. FICO scores range from 350 – 850. Which person has the best credit rating?
- A. Henry has a score of 620
 - B. Alisha has a score of 770
75. The best place for a consumer to acquire his/her credit report is at a
- A. credit reporting agency
 - B. public library
 - C. local bank
 - D. municipal court
76. Sally has to do something to better manage her excessive debt. She may try to ask for a break or help from the companies to whom she owes those debts. Which of the following are within Sally's control to try to help in reducing her debt?
- A. talk to her boss about getting a raise
 - B. buy additional life insurance
 - C. get a second job and applying some or all of the income to her debt
 - D. take out another loan
77. A debt load is the amount of outstanding debt at a particular time. Whether your debt load is acceptable to you will depend on
- A. your ability to meet the regular payments
 - B. your ability to pay off the debt quickly if necessary
 - C. your level of comfort with the amount of debt you owe
 - D. all of the above
78. Risk can be defined as
- A. uncertainty about a situation's outcome
 - B. an unpredictable event which leads to loss or damage
 - C. an arrangement between an individual and an insurer to protect the individual
 - D. a fee paid to the insurer for protection under specified terms
79. Insurance is
- A. an arrangement between an individual and an insurer to protect the individual
 - B. an unpredictable event which leads to loss or damage
 - C. a fee paid to the insurer for protection under specified terms
 - D. uncertainty about a situation's outcome
80. The type of insurance that is the minimum required by law for automobiles is
- A. liability insurance
 - B. medical payment insurance
 - C. no automobile insurance is required by law
 - D. uninsured/underinsured motorists insurance
81. Life insurance should be purchased when
- A. you have dependents
 - B. you turn 50 years old
 - C. you fly in an airplane
 - D. you get your first job

82. Which of the following best describes the benefits of having insurance?
- A. Insurance combined with emergency savings provides a sense of financial security.
 - B. The policyholder may make a profit if an accident occurs.
 - C. The policyholder no longer has to worry about paying for financial losses from an accident because all risk of loss is covered by the insurance company.
 - D. It is required by law to purchase insurance, so the benefits do not matter.
83. Many insurance policies have a deductible. This is the amount of money that
- A. is an out-of-pocket expense before the insurance coverage begins
 - B. is paid to the insurer for the coverage specified in the policy
 - C. can be reimbursed by the insurance company
 - D. is the maximum amount that the policy allows to be paid
84. Renter's insurance should be purchased by the
- A. tenants
 - B. property manager
 - C. landlord
 - D. bank who loaned money for the construction
85. Kristi was recently involved in a vehicle accident. In order to get her car fixed, her insurance company is requiring her to pay the first \$500 of the repair bill. The reason for this is because
- A. her policy's deductible is \$500.00
 - B. she did not call her agent and report the accident within the time frame required
 - C. she will be reimbursed by the insurance company later
 - D. the cost of the repairs is higher than her policy covers
86. Which of the following is an act of identity theft?
- A. wrongfully acquiring and using another's personal identification
 - B. receiving a parent's permission to use their credit card to purchase school clothes
 - C. taking the identity of another as an idea for a costume
 - D. having the same name as another person
87. Which is a tip for shopping safely online?
- A. use a credit card for purchases
 - B. shop using an unsecure network
 - C. shred sales receipts when you receive the item purchased
 - D. use a debit card

88. If a credit card is used fraudulently, what is the cardholder's personal liability for the unauthorized charges?
- A. a total of \$50.00, if charges are reported within 60 days
 - B. liable for all charges
 - C. no liability for charges if reported within 60 days
 - D. liability will vary depending on the amount charged
89. The "s" in the "https" on a web browser stands for what?
- A. secure connection
 - B. safe site
 - C. solid connection
 - D. surfing activated
90. Who is responsible for reporting identity theft?
- A. the credit card company
 - B. the consumer credit counseling service
 - C. the person who was defrauded
 - D. the credit bureau
91. Which of the following actions will not make an individual vulnerable to identity theft?
- A. making a purchase online
 - B. throwing mail in the garbage
 - C. paying cash for a purchase
 - D. carrying Social Security card in wallet

END OF ASSESSMENT

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