25 Multiple Choice Questions Banking and Credit Part 2

1. ______________________________

   The true cost of credit that must be disclosed on a loan agreement

   a. there are state usury laws.

   b. tax and penalty free

   c. Financial plans

   d. The annual percentage rate (APR)

2. A savings plan

   a. tax and penalty free

   b. defined-contribution pension plan

   c. loan secured by some asset you own

   d. setting aside money for investments or Future use

3. credit cards are what type of loan

   a. Character

   b. Unsecured

   c. penalty

   d. CD

4. Need to be changed during different stages in life

   a. A savings plan

   b. Financial plans

   c. 50 dollars

   d. penalty

5. If you have been denied credit, a job, a license, an insurance policy, or a loan based on your credit report. You are entitled to receive a free copy of that credit report within how many days of denial?

   a. 401k

    b. CD
    c. penalty
    d. 60

6. Traditional IRA can be withdrawn but you must pay a __________
    a. Capital
    b. penalty
    c. Capacity
    d. 60
7. If you think interest rates will fall in the future, you should invest in long-term Fixed rate
    a. 401k
    b. 60
    c. Capital
    d. CD
8. collateral loan
    a. Unsecured
    b. loan secured by some asset you own
    c. tax and penalty free
    d. a collateralized loan
9. In the event that your credit card is stolen in the United States, federal law limits the liability of card holders to ____ regardless of the amount charged on the card by the unauthorized user.
    a. usury laws.
    b. 50 dollars
    c. collateral
    d. 401k
10. laws passed to protect consumers from excessive interest charges

    a. usury laws.
    b. Character
    c. penalty
    d. 50 dollars

11. defined-contribution pension plan which means that upon retirement the employee will receive_________
    a. defined-contribution pension plan
    b. the total amount of money contributed plus investment earnings
    c. setting aside money for investments or Future use
    d. The annual percentage rate (APR)
12. a plan in which the employer's contribution to employees' retirement savings funds is specified.
    a. A savings plan
    b. Credit history
    c. defined-contribution pension plan
    d. Financial plans
13. Roth Individual Retirement Account (IRA) can be withdrawn _______
    a. Character
    b. penalty
    c. Capacity
    d. tax and penalty free
14. Unsecured loans do not require
    a. 50 dollars
    b. Capital
    c. collateral
    d. Character

15. if just the credit card account number itself is stolen, federal law guarantees that the card holder has a___________to the issuer.

    a. Credit history

    b. there are state usury laws.

    c. zero liability "Owes nothing"

    d. a collateralized loan

16. good reputation, Integrity

    a. Capacity

    b. Character

    c. Capital

    d. collateral

17. Lamar believes that interest rates are going to fall in the near future and remain low for a considerable period of time. She should invest in:

    a. loan secured by some asset you own

    b. a collateralized loan

    c. there are state usury laws.

    d. A long-term, fixed rate certificate of deposit

18. Troy has $50 a month transferred electronically from his checking account to his savings account. This is an example of:

    a. Capacity

    b. Financial plans

    c. Capital

    d. A savings plan

19. retirement plan when employers often match a portion of every dollar you invest

    a. 401k

    b. CD

    c. 60

    d. penalty

20. When a person brings an item to a pawnshop to obtain cash, the transaction is considered

    a. a collateralized loan

    b. A savings plan

    c. Financial plans

    d. collateral

21. your ability to repay the debt. Do you have sufficient $money to repay a loan

    a. Capacity

    b. Character

    c. penalty

    d. Capital

22. security given for loan, assets to secure the debt

    a. Capital

    b. Character

    c. Collateral

    d. Capacity

23. A person is convinced that a lending institution is charging too much interest for a loan. This person should be aware that

    a. usury laws.

    b. there are state usury laws.

    c. tax and penalty free

    d. A savings plan

24. "net worth". wealth in the form of money or property owned by a person

    a. penalty

b. Capital

c. Capacity

d. Character

25. a summary of a person's borrowing and repayment history

a. Character

b. Capacity

c. Capital

d. Credit history