

(145) Banking and Finance

Description

Demonstrate and apply fundamental knowledge of the banking industry. This entry-level event tests the member's knowledge of bank operations, bank services, loans, credit administration, and customer service.

Eligibility

Any secondary division student member may enter this event.

Member must supply

Sharpened No. 2 pencils, pens, ruler

Cordless calculator: Electronic devices will be monitored according to ACT standards. See [NLC](#)

[Calculator Guidelines](#). Members who violate this rule will be *disqualified*.

Published and/or unpublished non-electronic written reference materials

No equipment, supplies, or materials other than those specified for an event will be allowed in the testing area. No previous Business Professionals of America tests and/or sample tests or facsimiles thereof (handwritten, photocopied, or keyed) may be taken into the testing area. Violation of this rule will result in disqualification.

Competencies

- Evaluate services provided by financial deposit institutions to transfer funds
- Analyze factors that affect the choice of credit, the cost of credit, and the legal aspects of using credit
- Analyze the functions of commercial paper, secured transactions, and bankruptcy
- Identify the primary functions of banks and other financial institutions
- Distinguish between banks and other financial institutions and the services provided by each
- Identify basic rules and procedures for handling cash
- Describe the FDIC's role in the banking industry
- Describe procedures for electronic banking
- Define practices related to the use of checks and other negotiable instruments
- Perform the steps needed to open, maintain, and reconcile a checking account
- Describe types of loans and practices related to obtaining a loan
- Define and calculate interest
- Describe the advantages and disadvantages of different savings and investing plans
- Identify government regulations in banking
- Identify procedures for prevention of bank fraud and/or identity theft
- Define the roles and purposes of the Federal Reserve

Method of evaluation

Application and Objective Test - *Reference materials are allowed.*

Length of event

No more than sixty (60) minutes testing time

Entries

Each state is allowed five (5) entries