

## 2 section: review questions

After each of the following statements, circle *T* for a true statement or *F* for a false statement.

	Answers	For Scoring
1. Financial institutions usually do not charge a fee for checking account services.	T F	1. <u>F</u>
2. Most financial institutions offer online and telephone banking services.	T F	2. <u>T</u>
3. Electronic funds transfer (EFT) involves the use of ATM machines.	T F	3. <u>T</u>
4. It is important to reconcile your checkbook immediately when you receive the bank statement.	T F	4. <u>T</u>
5. When a check you have issued has been lost or stolen, you should request a stop payment order.	T F	5. <u>T</u>
6. To open an account, either checking or savings, you first must fill out and sign a signature authorization form.	T F	6. <u>T</u>
7. When a minimum balance is not maintained in a checking account, the bank will usually waive a service charge.	T F	7. <u>F</u>
8. A debit card is the same as a credit card.	T F	8. <u>F</u>
9. Interest-bearing accounts pay interest when the minimum balance is maintained.	T F	9. <u>T</u>
10. With online banking, you can make deposits and request cashier's checks.	T F	10. <u>F</u>

On the line at the right of each sentence, print the letter that represents the word or group of words correctly completing the sentence or answering the question.

1. What is a check written by a bank on its own funds called? (a) certified check, (b) cashier's check, (c) money order, (d) stop payment order	<u>b</u>	1. _____
2. Checks over _____ old may not be honored by a bank. (a) two weeks, (b) four weeks, (c) three months, (d) six months	<u>d</u>	2. _____
3. A _____ endorsement results when the payee signs over a check to a third person. (a) blank, (b) special, (c) restrictive, (d) joint	<u>b</u>	3. _____
4. A _____ endorsement results when the payee signs on the back <i>For Deposit Only</i> and signs his or her name. (a) blank, (b) special, (c) restrictive, (d) joint	<u>c</u>	4. _____
5. Insurance up to _____ on each account is provided for depositors by the FDIC. (a) \$20,000, (b) \$50,000, (c) \$100,000, (d) \$250,000	<u>d</u>	5. _____
6. When payment on a check is prevented by the bank before it can be made to the payee, it is a(n) (a) overdraft, (b) stop payment order, (c) cashier's check, (d) service fee.	<u>b</u>	6. _____
7. A _____ is a personal check that the bank guarantees to be good. (a) cashier's check, (b) certified check, (c) money order, (d) stop payment order	<u>b</u>	7. _____
8. A _____ is a safe place to keep stocks and bonds, deeds, and other important documents. (a) home file cabinet, (b) safe at work, (c) safe deposit box, (d) hotel safe	<u>c</u>	8. _____
9. A(n) _____ account charges customers fees based on the number of checks written each month; a minimum balance is usually not required. (a) share draft, (b) regular, (c) special, (d) interest-bearing	<u>c</u>	9. _____