**BTEC National Business**

**Unit 3 Personal and Business Finance**

**Multiple Choice Question Test Bank**

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**MCQ Test 9**

**This MCQ test contains 15 questions covering the specification content for Section A: Personal Finance**

**Instructions:**

* **There are 15 questions in this test**
* **Your teacher will determine how long you have to complete this test and under what conditions**
* Only one answer per question is allowed.
* For each answer completely fill in the circle alongside the appropriate answer.
* If you want to change your answer you must cross out your original answer.
* If you wish to return to an answer previously crossed out, ring the answer you now wish to select.

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| --- | --- | --- |
| 0 | 1 | Which of the following is a written order to a bank for a specific amount of money to be transferred from one account to another? |
|  |  | A | CHAPS | 🖵 |  |
|  |  | B | Cheque | 🖵 |  |
|  |  | C | BACS | 🖵 |  |
|  |  | D | Receipt | 🖵 |  |
|  |  |  |  | 1 mark |

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| --- | --- | --- |
| 0 | 2 | Which of the following financial institutions is NOT able to be visited on the high street? |
|  |  | A | Nationwide Building Society | 🖵 |  |
|  |  | B | Cash Converters | 🖵 |  |
|  |  | C | Bank of England | 🖵 |  |
|  |  | D | Royal Bank of Scotland | 🖵 |  |
|  |  |  |  | 1 mark |

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| 0 | 3 | Which of the following represents a face to face way of communicating with customers? |
|  |  | A | Telephone banking | 🖵 |  |
|  |  | B | Branch banking | 🖵 |  |
|  |  | C | Online banking  | 🖵 |  |
|  |  | D | Mobile banking  | 🖵 |  |
|  |  |  |  | 1 mark |

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| 0 | 4 | Which of the following is NOT a feature of a premium bond? |
|  |  | A | Can be bought for as little as £100 | 🖵 |  |
|  |  | B | Prizes are tax free | 🖵 |  |
|  |  | C | They are obtained through National Savings and Investments | 🖵 |  |
|  |  | D | Draws are made every week | 🖵 |  |
|  |  |  |  | 1 mark |

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| 0 | 5 | Which of the following would NOT be used by a lender when calculating repayments on a mortgage? |
|  |  | A | The value of the property being bought | 🖵 |  |
|  |  | B | The interest rate applicable to the loan | 🖵 |  |
|  |  | C | The number of years the mortgage will be held for | 🖵 |  |
|  |  | D | The level of crime in the postcode where the house is situated | 🖵 |  |
|  |  |  |  | 1 mark |

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| 0 | 6 | What is the FSCS an abbreviation of? |
|  |  | A | Financial Services Conduct Scheme | 🖵 |  |
|  |  | B | Financial Services Compensation Scheme | 🖵 |  |
|  |  | C | Financial Standards Compensation Scheme | 🖵 |  |
|  |  | D | Financial Standards Conduct Scheme | 🖵 |  |
|  |  |  |  | 1 mark |

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| 0 | 7 | Which of the following is an ADVANTAGE of branch banking? |
|  |  | A | There may be long queues at busier times of the day | 🖵 |  |
|  |  | B | It is available 24/7 | 🖵 |  |
|  |  | C | It requires you to have technology or devices | 🖵 |  |
|  |  | D | Additional services such as advice can be offered | 🖵 |  |
|  |  |  |  | 1 mark |

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| 0 | 8 | Which of the following is the correct DISADVANTAGE of using a pawnbroker? |
|  |  | A | The amount given for the asset is often significantly lower than its actual worth | 🖵 |  |
|  |  | B | The asset will be placed in a window and so may be damaged by direct sunlight | 🖵 |  |
|  |  | C | Interest is not charged | 🖵 |  |
|  |  | D | It is not open to members of the public, only businesses | 🖵 |  |
|  |  |  |  | 1 mark |

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| 0 | 9 | A credit union usually requires members to: |
|  |  | A | Be over 21 | 🖵 |  |
|  |  | B | Work in a particular industry | 🖵 |  |
|  |  | C | Live in the South of England | 🖵 |  |
|  |  | D | Be a homeowner | 🖵 |  |
|  |  |  |  | 1 mark |

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| --- | --- | --- |
| 1 | 0 | Which of the following is NOT a type of mortgage? |
|  |  | A | Fixed rate | 🖵 |  |
|  |  | B | Variable rate | 🖵 |  |
|  |  | C | Semi-variable rate | 🖵 |  |
|  |  | D | Tracked rate | 🖵 |  |
|  |  |  |  | 1 mark |

|  |  |  |
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| 1 | 1 | Which of the following is NOT a recognised method of payment? |
|  |  | A | Credit card | 🖵 |  |
|  |  | B | Store card | 🖵 |  |
|  |  | C | Contactless card | 🖵 |  |
|  |  | D | Shop card | 🖵 |  |
|  |  |  |  | 1 mark |

|  |  |  |
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| 1 | 2 | Which of the following is NOT an example of a price comparison website? |
|  |  | A | Comparethemarket.com | 🖵 |  |
|  |  | B | Gocompare.com | 🖵 |  |
|  |  | C | Confused.com | 🖵 |  |
|  |  | D | Bestprice.com | 🖵 |  |
|  |  |  |  | 1 mark |

|  |  |  |
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| 1 | 3 | Which of the following is the main DISADVANTAGE of seeking financial guidance from the Citizens Advice? |
|  |  | A | Voluntary staff are trained, but their knowledge may be limited | 🖵 |  |
|  |  | B | Paid staff are paid below minimum wage and so their enthusiasm may be limited | 🖵 |  |
|  |  | C | As it is free, there are always very long queues to get financial advice, especially as it does not operate online | 🖵 |  |
|  |  | D | Services will be charged for, to fund their heavy advertising | 🖵 |  |
|  |  |  |  | 1 mark |

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| 1 | 4 | To minimise the likelihood of your bank account being hacked, you should: |
|  |  | A | Write your password on a post it note and give it to your best friend for safe keeping in case you forget it | 🖵 |  |
|  |  | B | Never change your password, otherwise you might forget it | 🖵 |  |
|  |  | C | Use your date of birth as your password as you will always remember this | 🖵 |  |
|  |  | D | Change your password regularly, perhaps a few times a year | 🖵 |  |
|  |  |  |  | 1 mark |

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| 1 | 5 | Spending money on car insurance does NOT protect your vehicle against: |
|  |  | A | Theft  | 🖵 |  |
|  |  | B | Damage caused to a third party | 🖵 |  |
|  |  | C | Breakdown  | 🖵 |  |
|  |  | D | Damage  | 🖵 |  |
|  |  |  |  | 1 mark |

**ANSWERS TO THIS MCQ TEST**

|  |  |
| --- | --- |
| **Q** | **CORRECT** |
| 1 | B |
| 2 | C |
| 3 | B |
| 4 | D |
| 5 | D |
| 6 | B |
| 7 | D |
| 8 | A |
| 9 | B |
| 10 | C |
| 11 | D |
| 12 | D |
| 13 | A |
| 14 | D |
| 15 | C |