

BTEC National Business
Unit 3 Personal and Business Finance
Multiple Choice Question Test Bank

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.

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

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

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

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

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

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

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

- 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
- 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
- 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
- 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

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

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

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

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