

MCQ Test 10

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 issued by a bank allowing customers to pay for goods directly from a current account?

- A Credit card ☐
- B Gift card ☐
- C Charge card ☐
- D Debit card ☐

1 mark

0 2 Which of the following is NOT a type of borrowing?

- A Overdraft ☐
- B Leasing ☐
- C Hire purchase ☐
- D Mortgage ☐

1 mark

0 3 Which of the following would be considered as the MOST risky form of savings or investment?

- A Buying shares in a plc ☐
- B Putting saving in an ISA ☐
- C Buying government gilts ☐
- D Buying premium bonds ☐

1 mark

0 4 What is the FCA an abbreviation of?

- A Fair Conduct Association ☐
- B Financial Compensation Association ☐
- C Financial Conduct Authority ☐
- D Financial Compensation Authority ☐

1 mark

0 5 Which of the following would be MOST suitable to fund the purchase of a high price item such as a car or to make home improvements?

- A Mortgage ☐
- B Bank overdraft ☐
- C Bank loan ☐
- D Payday loan ☐

1 mark

0 6 Which of the following is a DISADVANTAGE of online banking?

- A There may be long queues at busier times of the day ☐
- B It can be slow due to the postal system ☐
- C It is not suitable for cash withdrawals ☐
- D Full access may be limited to set hours ☐

1 mark

0 7 What does the abbreviation CHAPS stand for?

- A Clearing House Automated Payment System ☐
- B Clearing House Automatic Payment System ☐
- C Credit House Automated Payment System ☐
- D Credit House Automatic Payment System ☐

1 mark

0 8 'Phishing' is most likely to occur in which type of banking?

- A Branch ☐
- B Telephone ☐
- C Postal ☐
- D Online ☐

1 mark

0 9 In which life stage are mortgage payments MOST likely to stop or become lower?

- A Old age ☐
- B Young adult ☐
- C Middle age ☐
- D Adolescence ☐

1 mark

1 0 Which of the following is a government organisation set up to offer free and impartial financial advice in the UK?

- A Citizens Advice ☐
- B Money Advice Service ☐
- C Office of Fair Trading ☐
- D Financial Conduct Authority ☐

1 mark

1 1 Traditional branch banking is in decline. The MAIN reason for this is:

- A The counter staff in branches are not very friendly so individuals are put off from going to them ☐
- B Branches are not open at the weekend when everyone wants to do their banking ☐
- C Some individuals prefer the convenience of online banking, so less people visit branches ☐
- D Some individuals struggle to find good parking spaces near the branches ☐

1 mark

1 2 Which of the statements below does NOT apply to credit cards as a means of payment and/or borrowing?

- A Interest is charged on balances not paid off within a month ☐
- B Penalties are charged for late payment ☐
- C Bonuses are lost if you use it too frequently ☐
- D Credit will be limited ☐

1 mark

1 3 Which of the following does NOT apply to cash as a method of payment?

- A Physical, not virtual ☐
- B Can be lost or stolen ☐
- C Comes in a range of denominations ☐
- D Cannot be used online ☐

1 mark

1 4 If debts are not paid or not paid on time, this will affect your credit rating. A poor credit rating will affect your ability to:

- A Borrow in the future ☐
- B Get a job ☐
- C Get a wife or husband ☐
- D Get a basic bank account in the future ☐

1 mark

1 5 The role of the Bank of England is NOT to:

- A Protect the financial stability of the economy ☐
- B Set interest rates at a level designed to help achieve a stable economy ☐
- C Provide loans to the general public ☐
- D Provide loans to banks ☐

1 mark

ANSWERS TO THIS MCQ TEST

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