



Course Exam

Directions: Check one box for each of the following questions. Each correct answer is worth 5 points, and a passing score is determined by your credit union.

- Who is ultimately responsible for ensuring that your checking account is balanced?
 The financial institution where you have your checking account
 You, the checking account holder
- If you write a check for more money than is in your account, you will only be charged a non-sufficient funds fee:
 True
 False
- What is considered essential to sound checking account management?
 Maintaining a balanced checkbook
 Calling your financial institution every month
- Having overdraft protection is part of wise checking account management:
 True
 False
- Overdraft protection that is linked to a line of credit can be expensive because of interest charges:
 True
 False
- What check deposit method is recommended to avoid having checks lost or stolen?
 Paper checks
 Direct deposit
- You would like to close your checking account, but automatic payments are being deducted monthly for your gym membership. What should you do?
 Simply close your account – the automatic payment will cease upon closure
 Discontinue automatic payments with the gym, and then close your account
- It is not important to notify your financial institution of an address change because it will be automatically updated by the post office:
 True
 False
- To resolve an outstanding debt that has been reported to ChexSystems you must:
 Pay either ChexSystems or the financial institution, depending on who currently holds the debt
 Pay the merchant to whom the check was initially written

10. To best ensure your account information is secure, you should:
- Keep your checks and cards on your person at all times
 - Only carry checks and cards you plan on using**
11. When should you list transactions in your checkbook register?
- Every time you make a transaction**
 - Monthly
12. When is it appropriate to write a postdated check?
- When you know the funds will be in the account on a specific date
 - Writing a postdated check is never recommended**
13. To stay on top of your account, you should reconcile your checkbook:
- Once a month**
 - Once a week
14. Under what circumstances may you be held responsible for repayment of a check that has been fraudulently cashed?
- If you fail to notify the financial institution in a timely manner that a check was lost or stolen**
 - Never – state law protects consumers from being responsible for forged checks
15. Adopting this money management technique can help you from overdrawing your account:
- Know your net income and when you are paid**
 - Count on “float” time to help you when there isn’t enough money in your account to cover checks you write
16. If you use a debit card:
- Money is immediately taken out of your checking account**
 - The amount is deducted from your checking account at a specific time each month
17. You can prevent checking account fraud by:
- Only signing a blank charge or debit slip when necessary
 - Opening and reviewing account statements promptly**
18. You can be held responsible for up to \$500 of fraudulent ATM charges if:
- You did not report the loss within two business days**
 - You did not report the loss within 60 business days
19. You want to deposit a check into your checking account. You should:
- Endorse the check with your signature
 - Endorse the check with your signature and account number**
20. To keep track of the checks you write, make sure you always record:
- The date the check was cashed
 - What the check was for**