UNITY UNIVERSITY

FACULTY OF DISTANCE EDUCATION

DEPARTMENT OF ACCOUNTING AND FINANCE

Worksheet for Money and Banking Practices (ACFN 311)

Name_____

Id. No_____

Department _____

P.O.Box_____

Region (Zone)_____

Centre _____

Last date of submission _____

Part One: Say 'True' if the statement is Correct and 'False' if the statement is wrong. (1 points each).

1. A **primary market** is a financial market in which securities that has been previously issued can be resold.
2. A check is not invalid by reason only that it is **antedated or post-dated**, or that it bears date on Sunday.
3. Fixed payment loans and coupon bonds make payment only at their maturity dates, while Simple loan and discount band have payments periodically until maturity.
4. Demand bill is a bill drawn and accepted for only to provide financial help to some party.
5. Financial markets perform the essential economic function of channeling funds from people who have surplus funds to people who have a shortage of funds.

Part Two: Choose the best t [answer] from the given alternatives (1.point each).

1. _____is an institution or arrangement that facilitates the exchange of financial assets, including **deposits** and **loans,corporate stocks** and **bonds**,

government bonds, and more exotic instruments such as options and futures contracts.

A. Negotiable instrument B. Financial Institution C. Financial Market D. None of the Above

2. A _____is an agreement in which you agree to repay funds to a lender.
   A. Mutual Fund B. Debt Contract C. Venture Capital D. None of the Above
3. _____are owned by a particular **retailing**& make loans to consumers to purchase items from that company.
   A. Consumers Finance Companies C. Business Finance Companies
   B. Sales Finance Companies D. All of the above
4. _____means **writing a person's name (signature) on the backside of the instrument** for the purpose of negotiation.
   A. Bill of exchange C. Time bill E. None of the Above
   B. Check D. Delivery
5. From the following one is the characteristic of a check except?
   A. Conditional C. In Writing E. None of the above
   B. Sum certain in money D. Payable to Bearer
   A.
6. From the following which one is describe the Crossing on Check?
   A. Crossing ensures the safety of payment by means of checks. B. A crossing is a direction C. It is a valuable protection to the drawer D. All of the Above
7. A _____ warns a paying banker that the amount should be paid only to the banker whose name is mentioned in the crossing.
   A. Special Crossing C. Crossing
   B. General Crossing D. None of the above

Part Three: Fill in the Blank Space (4 point)

1. An endorsement that prohibits further negotiation of the instrument is called _____.
2. The _____ are short-term debt instruments issued by the Federal government to finance their financial deficits.
3. _____is the person to whose order the payment is directed.
4. _____is the person directed to pay the money by the drawer.

Part Four: Essay Part (6 point)

1. Funds can move from lenders to borrowers by two ways; explain two routes briefly?(3 points)
2. Write Capital market instruments? (3 points)
3. Write the at least four Requirements of Negotiable instrument? (3 points)

Answer sheet

Name: _____ ID.NO_____

Part One: True or False	Part Three: Blank Space
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
	6.

Part Four: Essay

1. **A.**_____
   _____
   _____
   A. _____
   _____
   _____
2. _____
   _____
   _____
   _____
3. _____
   _____
   _____
   _____
   _____
   _____
   _____