

# 2017-18 FICB SET 2



Soil that is best for growing farm crops is rich in:

- A. Sand and clay
- B. Oxygen
- C. Dead animals and plant material

The emergence of fossil fuels to power world economic growth occurred during:

- A. The Industrial Revolution
- B. World War I
- C. The Great Depression

Power plants that burn coal generate less than 10% of the electricity used in the United States.

Answer: False (burning coal generates more than 50% of the electricity used in the U.S.)

Early mining often employed the use of animals, e.g. canaries, for what purpose?

Answer: Animals were used to detect natural gas in mines. If the animal died, as a result of its tiny lungs being exposed to the odorless gas, it could be concluded that poisonous gas was present. (Hence the phrase, “Canary in a Coal Mine”)



A couple with a young baby each purchases a life insurance policy. What is the payment called that they will regularly make to the insurance company?

- A. Premium
- B. Co-payment
- C. Dividend

How many regional Federal Reserve Banks are there throughout the United States?

- A. 8
- B. 12
- C. 16

# End of Round 1



Which of the following could help raise revenue to build a new sports stadium?

- A. Specific bonds issued for the project
- B. The raising of revenue through a special tax
- C. Solicitation of private donations
- D. All of the above

It was voted Motor Trend's Car of the Year in 2017.

- A. Audi A4
- B. Cadillac CT6
- C. Chevrolet Bolt



In this type of economy most productive resources are controlled by a central authority.

- A. Traditional economy
- B. Mixed economy
- C. Command economy

As CD and digital sales decline in the wake of streaming services like Spotify and Pandora, sales of this format are on the rise enjoying over 260% growth since 2009.

Answer: The vinyl record or album



It's the term for the social science that studies the production, distribution, and consumption of goods and services.

Answer: Economics

The United States Bullion Depository is a fortified vault, located in Kentucky, used to store a large portion of the United States' gold reserves. What is the more common name for this depository?

Answer: Fort Knox



The Wealth of Nations, published in 1776, has been described as “the effective birth of economics as a separate discipline.” Who authored this book?

- A. Adam Smith
- B. Thomas Malthus
- C. Karl Marx

Nearly 50% of all the gold ever mined has come from this African country.

Answer: South Africa



When can an extended warranty for a product be purchased?

- A. At the time of purchase
- B. At a later date from the store where purchased
- C. At a later date from the manufacturer
- D. All of the above

Provide an example when it's a good idea to buy an extended warranty?

Answers: When the item is used; when the item has been shown historically to have a defective nature; when the item contains new or untested technology; when the item is relatively expensive; or when the warranty is comparatively inexpensive.

# End of Round 2



Yesterday you owned 100 shares of XYZ Company priced at \$63.00/share. Today you woke up to learn you own 300 shares of the same company stock valued at \$21.00/share. Explain what happened?

Answer: The stock split (or the stock split 3 for 1)

What is the most common reason for a stock to “split”?

Answer: Stocks with high prices can be perceived as being more expensive than stocks with lower prices. While this is not the case, perceptions rule the day for most stocks with prices that near the \$100 mark. When this happens, although not always, a split is often considered.

How is NASDAQ (National Association of Securities Dealers Automated Quotation) different from The New York Stock Exchange?

Answer: It's computerized, it's electronic, and it doesn't have a trading floor.

The NASDAQ was created by the National Association of Securities Dealers (NASD) to enable investors to trade securities on a computerized, speedy and transparent system, and commenced operations on February 8, 1971.

The Nasdaq Stock Market is an American stock exchange and the second-largest exchange in the world by market capitalization, behind only the New York Stock Exchange.

The major function of insurance is to spread the losses of a few among the many. This is known as:

- A. Loss sharing
- B. Loss exposure
- C. Loss reduction

In what major U.S. city is the Federal Reserve District Bank that serves Southeastern Wisconsin banks?

Answer: Chicago

This type of card allows immediate deductions from a checking account to pay for purchases?

Answer: Debit card

What is discretionary income?

Answer: The amount of income left over after essential commitments, such as a mortgage, food, medical bills, etc. have been paid.

Describe two methods a bank or credit union can use to earn income.

Answers: charge interest on loans; make investments; deposit account services; investment banking; brokerage services; deposit services; trust account services; cash management.

A person's net worth equals:

- A. Liabilities less assets
- B. Assets less taxes
- C. Assets less liabilities

What's significant about the Dow Jones Industrial Average that occurred on January 25, 2017 and then again on March 1, 2017?

Answer: The Dow Jones achieved milestone closing levels on each date. On 1/25/17, it closed above 20,000 for the first time, and then above 21,000 on 3/1 (this specific detail not required for a correct answer).

Which of the original 12 stocks below, that made up the original Dow Jones Industrial Average in 1896, is still included in the index?

American Cotton Oil

American Tobacco

Distilling & Cattle Feeding

Laclede Gas

North American

U.S. Leather (preferred)

American Sugar

Chicago Gas

General Electric

National Lead

Tennessee Coal & Iron

U.S. Rubber

Answer: General Electric

What is the term for an economy most associated with subsistence farming, herding cattle or hunting & gathering.

- A. Mixed economy
- B. Traditional economy
- C. Market economy
- D. Command economy

In regards to bonds, define *maturity date*.

Answer: Maturity date is the date on which the principal amount of a bond or other debt instrument becomes due and is repaid to the investor and interest payments stop.

Define opportunity cost.

Answer: Opportunity cost is the benefit, profit, or value of something that is given up when something is acquired or other course is taken.

# End of Round 3

