



To the Student:

After your registration is complete and your proctor has been approved, you may take the Credit by Examination for BANKFIN.

ABOUT THE EXAM

The examination for Banking and Financial Services consists of 75 short-answer essay and multiple-choice questions. The exam is based on the Texas Essential Knowledge and Skills (TEKS) for this subject. The full list of TEKS is included in this document (it is also available online at the Texas Education Agency website, <http://www.tea.state.tx.us/>). The TEKS outline specific topics covered in the exam, as well as more general areas of knowledge and levels of critical thinking. Use the TEKS to focus your study in preparation for the exam.

The examination will take place under supervision, and the recommended time limit is three hours. You may not use any notes or books. A percentage score from the examination will be reported to the official at your school.

In preparation for the examination, review the TEKS for this subject. All TEKS are assessed. It is important to prepare adequately. Since questions are not taken from any one course, you can prepare by reviewing any of the state-adopted textbooks that are used at your school.

Good luck on your examination!

Texas Essential Knowledge and Skills BANKFIN – Banking and Financial Services

§130.163. Banking and Financial Services (One-Half to One Credit).

(a) General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.

(b) Introduction. Students develop knowledge and skills in the economical, financial, technological, international, social, and ethical aspects of banking to become competent consumers, employees, and entrepreneurs. Students incorporate a broad base of knowledge that includes the operations, sales, and management of banking institutions to gain a complete understanding of how banks function within society.

(c) Knowledge and skills.

(1) The student evaluates the role of banking in the modern economy. The student is expected to:

(A) outline the evolution of money and banking in the United States economy;

(B) explain the operation of the Federal Reserve Bank and its role in the economy;

(C) outline and analyze the history and the impact of the use of the gold or silver standard in monetary policy;

(D) compare and contrast the types of financial institutions such as commercial banks, savings and loan associations, credit unions, investment banks, and financial services companies;

(E) discuss the role of the World Bank Group in international financial assistance; and

(F) explain the nature of government agencies that provide financing to businesses such as Export-Import Bank of the United States and Small Business Administration.

(2) The student acquires knowledge of banking processes and services. The student is expected to:

(A) describe the nature of banking processes;

(B) describe the types of banking services;

(C) discuss retail bank products and services;

(D) explain business bank products and services;

(E) describe basic teller performance standards;

(F) discuss the nature of loan products; and

(G) discuss trust services available to customers.

(3) The student describes the roles and responsibilities in banking services, including educational requirements. The student is expected to:

(A) explain the role and responsibilities of administrative careers in banking services; and

(B) describe the role and responsibilities of executive and managerial careers in banking services.

(4) The student determines client needs and wants and responds through planned, personalized communication to influence purchase decision and enhance future business opportunities in banking services. The student is expected to:

(A) describe the importance of selling in the banking industry;

(B) demonstrate cross-selling bank products and services;

(C) demonstrate the relationship-selling process;

(D) explain the process of opening a new account;

(E) conduct mock calls on small business clients;

(F) interpret loan terms for a client;

(G) describe the nature of event-based selling; and

(H) plan a sales campaign.

(5) The student monitors, plans, and controls the day-to-day activities within a banking organization in order to ensure secure operations. The student is expected to:

(A) describe how bank security programs minimize the chance for loss, including procedures for the secure handling of cash and checks; detecting and reporting counterfeit currency; implementing bank security programs and business continuity plans; and preventing crimes to which a bank could fall victim such as fraud, robbery, and phishing;

- (B) discuss the role of the Federal Reserve System in banking operations and cash-handling procedures;
 - (C) perform daily cash processing activities such as processing damaged and mutilated currency and coin, ordering and depositing currency, depositing checks, handling differences in cash received and deposited, and transporting cash;
 - (D) underwrite loan applications to determine credit worthiness of customers, including the loan application generating process, credit analysis, and factors affecting loan pricing and structuring;
 - (E) discuss real estate lending and servicing, including the involvement of financial institutions in the real estate industry and functions and responsibilities of the loan servicing departments; and
 - (F) discuss the nature of problem loan management.
- (6) The student describes laws and regulations used to manage business operations and transactions in the banking services industry. The student is expected to:
- (A) explain the elements of a compliance program;
 - (B) discuss functional areas of a compliance audit;
 - (C) develop a compliance program to protect the company well-being;
 - (D) discuss federal regulations of lending and operations functions in banking services, including the ethical and social aspects of those regulations;
 - (E) discuss E-compliance issues in banking services;
 - (F) discuss the responsibilities of regulatory agencies that oversee the banking industry;
 - (G) describe the process for implementing regulatory changes; and
 - (H) describe provisions of bankruptcy law.
- (7) The student creates and maintains positive, ongoing relationships with banking customers in order to enhance the organization's image. The student is expected to:
- (A) foster positive relationships with customers to enhance company image;
 - (B) discuss the importance of meeting and exceeding customer expectations;
 - (C) describe the relationships that institutions providing banking services have with their communities; and
 - (D) manage a profitable investment portfolio to build customer relationships, including selection of customers for portfolios using established criteria that support the institution's business goals.
- (8) The student maintains, monitors, controls, and plans the use of financial resources to enhance banking performance. The student is expected to:
- (A) describe the manner in which banks generate profit and explain measures banks take to ensure profitability; and
 - (B) use financial formulas commonly used in banking to aid in the growth and stability of banking services, including key ratios and terms in banking, banking calculations such as interest and annual percentage rate, capital adequacy, asset quality, management administration, earnings, liquidity, and sensitivity to market risk.
- (9) The student uses tools, strategies, and systems to operate banking equipment. The student is expected to:
- (A) use banking technology to increase workplace efficiency and effectiveness such as fill and empty automatic teller machines and process numeric data; and
 - (B) discuss the impact of technology on the banking industry.

Source: The provisions of this §130.163 adopted to be effective August 23, 2010, 34 TexReg 5925.