

NGPF Banking Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What is the monthly saving amount in Iliza's plan?**
 - A. \$450**
 - B. \$550**
 - C. \$500**
 - D. \$600**

- 2. Which service is not typically offered by banks?**
 - A. Stock issuance**
 - B. Checking accounts**
 - C. Mortgage lending**
 - D. Personal loans**

- 3. Which savings option provides easy access to funds and has physical bank branches, but typically offers the lowest interest rates?**
 - A. Online Savings Account**
 - B. Traditional Savings Account**
 - C. Money Market Account**
 - D. Certificate of Deposit**

- 4. What does depositing a check via mobile banking typically involve?**
 - A. Mailing the check to the bank**
 - B. Visiting a branch to drop off the check**
 - C. Taking a picture of the check with the mobile app**
 - D. Posting the check as loan collateral**

- 5. Which feature would alert you that the balance in your checking account has fallen below a specified threshold?**
 - A. Direct Deposit**
 - B. Mobile Deposit**
 - C. Endorse**
 - D. Low Balance Alert**

- 6. A written, dated, and signed order to the bank to pay a definite sum of money to a payee is called what?**
- A. Draft**
 - B. Promissory Note**
 - C. Bank Order**
 - D. Check**
- 7. What term describes the protection that covers bank deposits up to a limit if the bank fails?**
- A. FDIC Insurance protects deposits up to \$250,000 per depositor per insured bank**
 - B. Credit Insurance**
 - C. Liability Insurance**
 - D. Mortgage Insurance**
- 8. Which term describes the rate used to calculate interest on loans and savings?**
- A. Savings Growth**
 - B. Balance**
 - C. Interest Rate**
 - D. ATM**
- 9. Which option best describes Direct Deposit?**
- A. A service that allows you to pay bills online.**
 - B. An electronic transfer of your paycheck directly into your checking account.**
 - C. A method to withdraw cash from your checking account.**
 - D. A way to deposit cash at your bank.**
- 10. Which term represents the minimum amount that must be kept in an account to avoid monthly fees?**
- A. Minimum Balance**
 - B. Maintenance Fee**
 - C. Direct Deposit**
 - D. Emergency Fund**

Answers

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1. B
2. A
3. B
4. C
5. D
6. D
7. A
8. C
9. B
10. A

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Explanations

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1. What is the monthly saving amount in Iliza's plan?

- A. \$450
- B. \$550**
- C. \$500
- D. \$600

The key idea is to spread the total savings goal evenly over the number of months in the plan. You divide the total amount Iliza wants to have saved by the number of months she plans to save, assuming she contributes the same amount each month and there's no interest or other changes. If the goal is to have \$6,600 saved after 12 months, the monthly saving is 6,600 divided by 12, which equals 550. So Iliza would need to set aside \$550 each month. If there were interest or other sources of money affecting the plan, the calculation would be adjusted accordingly, but with a steady, no-interest saving setup, the monthly amount is simply the total goal divided by the number of months.

2. Which service is not typically offered by banks?

- A. Stock issuance**
- B. Checking accounts
- C. Mortgage lending
- D. Personal loans

Banking for individuals centers on handling deposits, everyday accounts, and lending such as mortgages and personal loans. Stock issuance, on the other hand, is a corporate finance activity where a company raises capital by selling new shares to investors, typically coordinated by investment banks and underwriters. That underwriting and equity-raising role isn't a standard function of everyday banks, even though some large banks may offer related services as part of investment banking. So the service not typically offered by banks is stock issuance.

3. Which savings option provides easy access to funds and has physical bank branches, but typically offers the lowest interest rates?

- A. Online Savings Account
- B. Traditional Savings Account**
- C. Money Market Account
- D. Certificate of Deposit

This question tests the balance between easy access to funds and the amount of interest earned in common savings options. A traditional savings account is tied to a brick-and-mortar bank, giving you convenient access to funds through branches, tellers, ATMs, and transfers, but it typically pays the lowest interest rate among the typical savings choices. In contrast, online savings accounts often offer higher rates due to lower overhead, money market accounts can require higher minimums and may offer higher rates with limited withdrawals, and certificates of deposit lock funds for a term with penalties for early withdrawal. So the option that best matches easy access with the lowest rate is the traditional savings account.

4. What does depositing a check via mobile banking typically involve?
- A. Mailing the check to the bank
 - B. Visiting a branch to drop off the check
 - C. Taking a picture of the check with the mobile app**
 - D. Posting the check as loan collateral

Mobile deposit works by turning the physical check into an electronic image captured with your phone. The bank's app guides you to take a photo of the check's front and back after you endorse the back (often with a note like "For mobile deposit only"). You then choose the account to credit, confirm the amount, and submit. The bank processes the image and credits your account, with funds availability based on its policies. This is why taking a picture of the check with the mobile app is the correct method. Mailing the check, visiting a branch, or using the check as loan collateral aren't how mobile deposits are performed.

5. Which feature would alert you that the balance in your checking account has fallen below a specified threshold?
- A. Direct Deposit
 - B. Mobile Deposit
 - C. Endorse
 - D. Low Balance Alert**

Low Balance Alert is the feature that notifies you when your checking balance falls to or below a set amount. You choose a threshold, and if your funds dip beneath it, the bank sends an alert via text, email, or app notification. This helps you avoid overdrafts and fees by giving you a heads-up to move money or adjust spending. Direct Deposit automatically adds funds to your account, Mobile Deposit lets you add funds by scanning a check, and Endorse is the signature you put on the back of a check to authorize it. None of these provide a notification about a low balance, so they don't serve the alerting purpose.

6. A written, dated, and signed order to the bank to pay a definite sum of money to a payee is called what?
- A. Draft
 - B. Promissory Note
 - C. Bank Order
 - D. Check**

A check is a written instruction from a person who has a bank account to their bank to pay a specific amount of money to a named payee. It must be dated and signed by the account holder, and it is drawn on the drawer's own funds, payable on demand. That exact description—written, dated, and signed, directing the bank to pay a definite sum to a payee—fits a check perfectly. A promissory note, on the other hand, is a promise by the maker to pay a sum to the holder, not an instruction to the bank to withdraw funds from the maker's account. A draft is a pay order too, but it's typically used in different contexts (often involving banks and third parties rather than a personal account draw). "Bank order" isn't a standard term for a payment instrument. So the described instrument aligns best with a check.

7. What term describes the protection that covers bank deposits up to a limit if the bank fails?

A. FDIC Insurance protects deposits up to \$250,000 per depositor per insured bank

B. Credit Insurance

C. Liability Insurance

D. Mortgage Insurance

FDIC insurance is the protection that covers bank deposits if a bank fails. It guarantees deposits held at insured banks up to \$250,000 per depositor, per insured bank, for accounts like checking, savings, money market, and certificates of deposit. This means your funds within that limit are protected even if the bank encounters trouble, and you can have coverage at more than one bank, with the limit applying at each institution. The protection comes from the Federal Deposit Insurance Corporation, which steps in to reimburse insured deposits. Other types of insurance—credit, liability, or mortgage insurance—cover different things (loans, liabilities, or securing loans) and do not protect standard bank deposits.

8. Which term describes the rate used to calculate interest on loans and savings?

A. Savings Growth

B. Balance

C. Interest Rate

D. ATM

Interest rate is the percentage used to determine how much interest is added to a loan or earned on savings. It represents the cost of borrowing or the return on saving, typically quoted on a yearly basis. When you borrow, a higher rate means more interest paid over time; when you save, a higher rate means more interest earned. For example, borrowing \$1,000 at 6% adds about \$60 in interest over a year (simple). Saving \$1,000 at 2% earns about \$20 in interest over a year. The other terms don't describe this rate: balance is the amount you have or owe, ATM is a machine, and savings growth isn't the rate used to calculate interest.

9. Which option best describes Direct Deposit?

A. A service that allows you to pay bills online.

B. An electronic transfer of your paycheck directly into your checking account.

C. A method to withdraw cash from your checking account.

D. A way to deposit cash at your bank.

Direct Deposit is an electronic transfer of money into your bank account, usually your paycheck, sent directly from your employer or a government agency. It's automatic and typically posts to your checking or savings account without needing a paper check, making access to funds faster and more convenient. This differs from paying bills online (which sends money out), withdrawing cash (which takes money out as a withdrawal), or depositing cash (which adds physical cash to your balance). In short, it's the electronic delivery of your earnings into your account.

10. Which term represents the minimum amount that must be kept in an account to avoid monthly fees?

- A. Minimum Balance**
- B. Maintenance Fee**
- C. Direct Deposit**
- D. Emergency Fund**

Minimum balance refers to the threshold you must keep in your account to avoid paying a monthly maintenance fee. When your balance stays at or above this amount, the bank waives the monthly charge. It's about meeting a balance requirement, not about paying a fee itself. A maintenance fee is the charge you'd incur if you don't meet the threshold. Direct deposit and an emergency fund are different ideas—direct deposit is how funds are added, and an emergency fund is a personal savings cushion.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://ngpfbanking.examzify.com>

We wish you the very best on your exam journey. You've got this!

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