SOUTHEAST CREDIT UNION MANAGEMENT SCHOOL (SRCUS) YEAR 1 PRACTICE TEST (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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

1. **Which of the following best describes the 'preference for progressivity'?**
   - A. A belief that audiences prefer speakers to repeat points.
   - B. A theory that audiences want content to become more complex over time.
   - C. A notion that audiences want pauses and breaks for reflection.
   - D. The preference for progressivity

2. **Share insurance and NCUSIF protect what?**
   - A. Insurance for member loans
   - B. Deposit insurance for member shares up to insured limits; NCUSIF protects deposits in federally insured credit unions
   - C. Insurance for vendor services
   - D. Insurance for mortgage deposits

3. **Stage 3 of the AI Capability Model is characterized by which focus?**
   - A. Developing AI Ways of Working
   - B. Automating processes without policies
   - C. Education and data accessibility
   - D. Creating and selling AI

4. **Which statement about the primary purpose of a credit union is correct?**
   - A. To Meet the Common Financial Needs of Its Members
   - B. To Maximize Profits for Shareholders
   - C. To Compete with Government Lenders
   - D. To Issue Stock to the Public

5. **Which of the S's of Executive Presence addresses body position and gestures?**
   - A. Stance.
   - B. Stamina.
   - C. Subtlety.
   - D. Structure.

6. What does KYC stand for?

A. Know Your Customer

B. Keep Your Cash

C. Know Your Credit

D. Knowledge You Create

7. Which strategy does not help control emotions?

A. Deep breathing

B. Fighting

C. Reflection

D. Time-out

8. A member share draft is a checking account; how does it impact liquidity?

A. It increases liquidity through deposits

B. It reduces liquidity

C. It affects liquidity through withdrawals, checks, and float, influencing funding needs

D. It has no effect on liquidity

9. Which cooperative principle states members are the owners with democratic control and the capital of the CU?

A. Autonomy and Independence

B. Education, training and information

C. Cooperation among co-ops

D. Member's economic participation

10. What does BATNA stand for?

A. Best Alternative to A Negotiated Agreement

B. Best Agreement To a Negotiated Arrangement

C. Balanced Alternative to a Negotiated Agreement

D. Blue Ant Negotiated Agreement

Answers

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

Explanations

1. Which of the following best describes the 'preference for progressivity'?

A. A belief that audiences prefer speakers to repeat points.

B. A theory that audiences want content to become more complex over time.

C. A notion that audiences want pauses and breaks for reflection.

D. The preference for progressivity

Audiences respond best when information unfolds in a forward-moving sequence. The idea of a "preference for progressivity" captures this tendency: people want content to advance, with each point leading to the next and toward a clear conclusion. The description that states the preference for progressivity is the best fit because it directly names this forward-moving inclination. In practice, that means organizing material as a logical path—problem, approach, results, implications—with smooth transitions and without unnecessary repetition that would stall momentum. The other options describe related ideas (repetition, a focus on increasing complexity, or pauses for reflection) but do not encapsulate the overall push for ongoing forward movement.

2. Share insurance and NCUSIF protect what?

A. Insurance for member loans

B. Deposit insurance for member shares up to insured limits; NCUSIF protects deposits in federally insured credit unions

C. Insurance for vendor services

D. Insurance for mortgage deposits

The main idea here is that share insurance and the NCUSIF protect your money when it's deposited in a federally insured credit union. The coverage applies to member share accounts—like savings, checking, and money market accounts—up to the insured limit (currently up to $250,000 per depositor, per insured credit union). If a credit union were to fail, the NCUSIF would reimburse insured deposits up to that limit, just as the FDIC does for banks. This protection is specifically for deposits held at credit unions, not for loans, vendor services, or investments outside standard deposit accounts.

3. Stage 3 of the AI Capability Model is characterized by which focus?

A. Developing AI Ways of Working

B. Automating processes without policies

C. Education and data accessibility

D. Creating and selling AI

Stage 3 focuses on establishing consistent, repeatable ways of working with AI across the organization. It's about putting governance, processes, and collaboration in place so AI initiatives aren't one-off experiments but become integrated, dependable parts of daily operations. This includes creating standardized workflows, clear roles and responsibilities, model and data lifecycle management, testing and monitoring practices, and alignment with security, privacy, and compliance requirements. When teams know how to develop, deploy, monitor, and update AI systems in a repeatable way, outcomes become more predictable and scalable. Automating processes without policies doesn't fit this focus because governance and rules are essential to make AI work reliably at scale. Education and data accessibility are important enablers, but they address readiness and access rather than the standardized operating approach. Creating and selling AI targets external offerings and revenue, not the internal ways of delivering AI solutions.

4. Which statement about the primary purpose of a credit union is correct?

A. To Meet the Common Financial Needs of Its Members

B. To Maximize Profits for Shareholders

C. To Compete with Government Lenders

D. To Issue Stock to the Public

Credit unions are member-owned cooperatives built to meet the financial needs of their members. Their main purpose is to provide affordable financial services—savings, loans, and related products—that help members manage money and achieve financial stability. Since they operate on a not-for-profit basis, any earnings support member benefits rather than paying external shareholders. They do not issue stock to the public, which reinforces their focus on members rather than profit-maximization. The emphasis on serving members' common financial needs makes this answer the best description of a credit union's purpose.

5. Which of the S's of Executive Presence addresses body position and gestures?

A. Stance.

B. Stamina.

C. Subtlety.

D. Structure.

Stance is about how you hold and position your body in space, including posture and the gestures you use. In executive presence, the way you stand and move signals confidence, openness, and readiness to engage. A grounded, balanced stance—feet shoulder-width apart, weight evenly distributed, shoulders relaxed—helps you appear credible and approachable. Gestures should be purposeful and within a natural range to reinforce your points without distraction. That combination directly addresses body position and gestures, which is why it's the best fit. Stamina refers to energy and endurance, not posture; subtlety covers nuance in communication, not physical stance; structure concerns the organization of your message, not how you stand or gesture.

6. What does KYC stand for?

A. Know Your Customer

B. Keep Your Cash

C. Know Your Credit

D. Knowledge You Create

Know Your Customer is the standard term used in financial services for verifying who a client is and understanding their risk profile before and during a banking relationship. This practice helps prevent fraud, money laundering, and financing of illegal activities, and it aligns with regulations like anti-money laundering rules. In real-world terms, it means banks or credit unions check IDs, verify addresses, assess where funds are coming from, and monitor transactions over time to spot suspicious activity. The other options aren't recognized terms for this concept, so they don't fit the established practice in financial compliance.

7. Which strategy does not help control emotions?

A. Deep breathing

B. Fighting

C. Reflection

D. Time-out

Fighting ramps up anger and stress, making it harder to regain control of your emotions and often leading to hurtful actions. In contrast, deep breathing slows the body's stress response, helping you calm down and reduce the intensity of your feelings. Reflection gives you a chance to label what you're feeling, recognize what triggered it, and choose a more measured response. A time-out provides a deliberate pause to step away from the situation, preventing impulsive reactions and giving you space to regroup. Since fighting escalates rather than calms, it does not help with controlling emotions.

8. A member share draft is a checking account; how does it impact liquidity?

A. It increases liquidity through deposits

B. It reduces liquidity

C. It affects liquidity through withdrawals, checks, and float, influencing funding needs

D. It has no effect on liquidity

Liquidity is about how quickly funds can be accessed to meet obligations. A member share draft is a checking account, so funds in it are readily available for withdrawals, checks, or other payments. That creates potential outflows that the credit union must cover. The timing difference, known as float, affects when those funds actually leave the institution. If checks are presented and cleared, liquidity needs can spike; if there's float, some funds aren't debited immediately, providing a temporary funding cushion. So the impact on liquidity comes from how withdrawals and checks drain funds and how float influences the timing of those drains, shaping the credit union's funding needs.

9. Which cooperative principle states members are the owners with democratic control and the capital of the CU?

A. Autonomy and Independence

B. Education, training and information

C. Cooperation among co-ops

D. Member's economic participation

Member's economic participation is about members owning capital in the cooperative and sharing in its financial outcomes while still exercising democratic control. In a credit union, this means members contribute to the CU's capital and, if profits are distributed, those returns go to the members who have a stake, all under a system of democratic governance (typically one member, one vote). This combination of ownership (capital) and control (democratic voting) is exactly what this principle emphasizes. The other options relate to different ideas: autonomy and independence is about the CU remaining self-governing, education and information covers keeping members informed and trained, and cooperation among cooperatives is about working with other co-ops. None of these center on members as both capital owners and democratic controllers, which is why the correct choice is about member economic participation.

10. What does BATNA stand for?

A. Best Alternative to A Negotiated Agreement

B. Best Agreement To a Negotiated Arrangement

C. Balanced Alternative to a Negotiated Agreement

D. Blue Ant Negotiated Agreement

BATNA stands for Best Alternative to a Negotiated Agreement. The idea is to identify the best option you have if this negotiation ends without an agreement. It acts as a benchmark to judge any proposed deal: if what you're offered is better than your BATNA, you should consider accepting; if it's worse, you're better off pursuing your BATNA instead. Knowing your BATNA strengthens your negotiating position because you're not pressured to take terms that don't meet your needs. It's also useful to think about the other side's BATNA, since whoever has the stronger alternative often has more leverage. BATNA can improve as you explore more options or gain more information, so it's smart to work on it before negotiating. The other options don't reflect the standard term and are not correct.

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://srcusyear1.examzify.com

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