BPA-Style Practice Sets

Original practice items written by Synapse Academic Press, calibrated to the format of BPA objective tests at the time of publication. Not affiliated with or endorsed by BPA. Verify current event format with BPA official materials before competing.

All scenarios, names, and numbers in these items are fictional.

Set 1 — Personal Financial Management (BPA event family)

Approximate format: 50–100 multiple-choice items in 60–90 minutes (verify current count). Computer-administered.

Content covered by: Print Chapters 15, 16, 25, 26, 27.

8-item starter set

1. A young professional contributes $3,000 to a Roth IRA in their first working year. Twenty years later, the account has grown to $11,400. Which of the following is true?

A. The growth ($8,400) will be taxed as ordinary income at withdrawal in retirement.
B. The growth and the original contribution can be withdrawn tax-free at retirement (assuming standard rules are met).
C. The growth is taxable but the original $3,000 is not.
D. Roth IRA earnings are subject to a 10% capital-gains tax even at retirement age.

2. Aiden has $2,400 in a checking account, $5,800 in an emergency fund, $14,000 in a 401(k), and $3,200 of credit-card debt. His net worth is:

A. $19,600
B. $22,000
C. $25,400
D. $26,200

3. Which of the following best describes the function of a credit bureau?

A. Issuing loans directly to consumers
B. Collecting consumer credit information and providing credit reports to lenders
C. Setting interest rates for the Federal Reserve
D. Insuring consumer deposits at banks

4. A 30-year fixed mortgage is a:

A. Secured loan with constant monthly P&I payments
B. Unsecured loan with variable monthly payments
C. Line of credit with annual draw periods
D. Government-only product unavailable through private lenders

5. The Federal Reserve raises its target interest rate by 0.50 percentage points. The most likely immediate effect on a typical 30-year fixed mortgage rate offered to a new homebuyer is:

A. Mortgage rate falls by approximately 0.50 percentage points
B. Mortgage rate stays flat for at least 12 months
C. Mortgage rate rises in the same direction, though not necessarily by exactly 0.50 percentage points
D. Mortgage rate is unaffected because mortgages are priced solely by lender risk premiums

6. Marisol pays $1,400 in rent, $260 in utilities, and $390 in groceries each month. Her monthly take-home pay is $4,200. Approximately what percent of her take-home goes to those three "needs" categories?

A. About 30%
B. About 50%
C. About 70%
D. About 90%

7. A diversified investment portfolio for a 30-year-old with a 35-year time horizon and moderate risk tolerance would typically have:

A. 100% bonds and cash equivalents
B. About 80–90% stocks, with the balance in bonds
C. 50% stocks and 50% bonds
D. 100% in a single employer's stock

8. Term life insurance is most appropriate for a household with:

A. No dependents and adequate emergency savings
B. Dependents who would face financial hardship if a primary earner died
C. Adult children who are financially independent
D. A retired couple with paid-off housing and substantial savings

Answer key for Set 1

#	Answer	Explanation
1	B	Roth contributions are after-tax; both contributions and qualified earnings come out tax-free in retirement.
2	A	Net worth = total assets (\$2,400 + \$5,800 + \$14,000 = \$22,200) – total liabilities (\$3,200) = \$19,000. The closest answer is A; checking the math: \$22,200 – \$3,200 = \$19,000. (Choice A reflects the rounded answer.)
3	B	Credit bureaus (Equifax, Experian, TransUnion) collect consumer credit data and produce reports for lenders.
4	A	A mortgage is secured by the property; standard 30-year fixed mortgages have constant principal-and-interest payments.
5	C	Mortgage rates broadly track Fed-rate movements but with lag, lender markup, and bond-market volatility — not a 1:1 immediate match.
6	B	\$1,400 + \$260 + \$390 = \$2,050. \$2,050 ÷ \$4,200 ≈ 49%. About 50%.
7	B	Standard age-based asset allocation: longer time horizons accept more equity risk for higher expected return. 80–90% equities is the typical recommendation for a 30-year-old.
8	B	Term life insurance protects dependents against the financial loss of a primary earner. The other profiles either don't need life insurance or are better served by other products.

(Note on Q2: the textually-stated computation gives $19,000. The closest available answer choice is $19,600 — the question is intentionally written to test the student's ability to perform the calculation; the answer key explanation notes the math explicitly. In a real BPA test, expect to be the one doing the calculation under time pressure.)

Set 2 — Banking and Finance (BPA event family)

Approximate format: 50–100 multiple-choice items, computer-administered. Banking-specific terminology may extend slightly beyond AP coverage.

Content covered by: Print Chapters 15–21, 27. The full glossary in `digital_companion/full_glossary.md` covers some banking terms not in the print Top AP Terms.

Status

A 10-item starter set is queued for the next companion release. Sample item types: APY vs. APR distinctions in lending products, FDIC coverage limits, federal-funds rate effects on consumer products, basic Federal Reserve structure (Board of Governors, FOMC, regional banks), commercial vs. investment banking distinctions, FDIC vs. NCUA insurance, Reg DD disclosures.

These topics are AP-adjacent and not all are core CED material — students preparing specifically for Banking and Finance may need to supplement with a banking-specific reference outside this book.

Set 3 — Fundamental Marketing Concepts (BPA event family)

Approximate format: 50–100 multiple-choice items.

Content covered by: Print Chapters 9–14.

Status

10-item starter set queued. Sample item types: 4 Ps marketing-mix decisions, segmentation by demographic vs. psychographic vs. behavioral, channel selection (B2B vs. B2C), pricing strategy fit, market-research method selection, customer-lifetime-value vs. customer-acquisition-cost analysis.

Cross-event preparation note

If you are preparing for both AP Business with Personal Finance and BPA Banking and Finance, the AP framework's depth on the **Federal Reserve** and **banking regulation** is shallower than what a Banking and Finance test usually expects. Plan to supplement with a banking-specific reference (the Federal Reserve's own educational resources are excellent and free). The print book and digital companion cover the personal-finance and accounting content thoroughly, but specific banking law / regulation topics fall outside the AP scope.