

# Acceptance Corporation Professional Practice Test Questions and Answers

**1. What is the primary purpose of an acceptance corporation in commercial finance?**

- A) To provide direct consumer loans
- B) To accept and discount commercial paper and trade acceptances
- C) To issue credit cards
- D) To manage investment portfolios

**2. Which document represents a time draft accepted by a bank for payment at a future date?**

- A) Promissory note
- B) Commercial paper
- C) Banker's acceptance
- D) Certificate of deposit

**3. What is the typical maturity period for most banker's acceptances?**

- A) 1-30 days
- B) 30-180 days
- C) 180-365 days
- D) Over 1 year

**4. In acceptance financing, what does the term "discount rate" refer to?**

- A) The penalty rate for late payments
- B) The interest rate applied when purchasing acceptances before maturity
- C) The customer's credit score reduction
- D) The annual membership fee

Answers: 1-B 2-C 3-B 4-B

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