

**CCP PAPER 2 – CONSUMER CREDIT**  
**SAMPLE MULTIPLE-CHOICE QUESTIONS**

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1. The “consumer credit process” includes the following **EXCEPT**:
  - A. credit origination.
  - B. credit post mortem review.
  - C. credit verification.
  - D. loan collection and recovery.
  
2. At which stage in life is the demand for loan the highest?
  - A. Family growth.
  - B. Midlife.
  - C. Empty nest.
  - D. Retirement.
  
3. Credit information of customers can be appropriately obtained from various sources **EXCEPT** through:
  - A. bank’s database.
  - B. customer’s application form.
  - C. another bank’s internal database.
  - D. magazines.
  
4. Which of the following is **NOT** an irregularity in a consumer loan application?
  - A. Credit history is less than 3 months’ old.
  - B. Overly aggressive and persistent applicant.
  - C. Warning indicators on credit reports.
  - D. All references are closed accounts.
  
5. Which of the following basic credit factors is rated the **MOST** important?
  - A. Capacity.
  - B. Character.
  - C. Capital.
  - D. Collateral.

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6. Prior to creating a legal charge, it is important to conduct a land search at the relevant land office.

Which of the following is **NOT** a purpose of conducting a land search?

- A. To determine the registered owner of the land.
  - B. To determine the amount of stamping fees payable.
  - C. To ascertain the registered interest in the land.
  - D. To determine the restriction in interest and conditions affecting the document of title.
7. Under the Stamp Act 1949, which of the following loan documents attracts ad valorem stamp duty?
- A. Lien holder's caveat.
  - B. Letter of set-off for fixed deposit.
  - C. Loan agreement cum assignment.
  - D. Hire-purchase agreement.
8. In the event the margin of financing against shares fall below the stipulated margin, which of the following is **NOT** an option available to the customer?
- A. Top up the shortfall by depositing cash.
  - B. Lodge additional shares as security.
  - C. Ask to revalue the shares at a bullish moment.
  - D. Sell some of the shares to reduce the excess.
9. What is the effect of not issuing Form 16D under the National Land Code 1965 before commencing foreclosure proceedings?
- A. All subsequent proceedings are null and void.
  - B. No interest can be charged on the loan outstanding.
  - C. A hearing date at the land office cannot be fixed.
  - D. The land administrator can issue a summons.
10. End financing refers to:
- A. term loan provided to the developer.
  - B. overdraft provided to the developer.
  - C. housing loan provided to the house buyer.
  - D. personal loan provided to the customer.

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11. One of the key roles of a unit trust company is to provide:
- A. funds for investing.
  - B. marketing of unit trusts.
  - C. trustee service on behalf of unit holders.
  - D. advice on financing.
12. Which of the following is unique to a charge card but not a credit card?
- A charge card:
- A. has pre-set limits.
  - B. is a non-revolving facility.
  - C. holder is charged interest instead of service charge.
  - D. has no annual fees.
13. Compute the term charges for the following hire-purchase facility.
- |                 |                 |
|-----------------|-----------------|
| Cost of goods : | RM100,000.      |
| Deposit paid :  | RM20,000.       |
| Loan amount :   | RM80,000.       |
| Hiring period : | 60 months.      |
| Rate :          | 5.0% p.a. flat. |
- A. RM4,000
  - B. RM20,000
  - C. RM24,000
  - D. RM25,000
14. Which of the following statements on Musyarakah is **FALSE**?
- A. It is a partnership normally of limited duration, formed to carry out a special project.
  - B. Participation in Musyarakah can either be for a new project, or providing additional funds for an existing project.
  - C. Profits are divided on a proportionate basis.
  - D. Any losses are shared in proportion to the capital contribution.

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**ANSWERS TO SAMPLE MULTIPLE-CHOICE QUESTIONS**

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<b>Question No.</b>	<b>Answer</b>	<b>CCP Study Manual Chapter</b>	<b>CCP Study Manual Page No.</b>
1.	B	1	1-3
2.	B	2	2-5
3.	C	3	3-4
4.	A	4	4-9
5.	B	5	5-4
6.	B	6	6-8
7.	C	7	7-3 to 7-6
8.	C	8	8-9
9.	A	9	9-10
10.	C	10	10-6
11.	B	11	11-11
12.	B	12	12-10
13.	B	13	13-5
14.	C	14	14-4