

**Quiz Answers**  
**Module 1, Unit 1**  
**What is an MCA? Part I**

1. A Merchant Cash Advance is the EXACT same thing as a Loan  
A. True  
B. False

ANSWER: B, False - *A Merchant Cash Advance is technically the purchase and sale of future receivables. Not technically a Loan*

2. What would the word or term for 'payment' be on a Merchant Cash Advance?  
A. Turn  
B. Position  
C. Remit  
D. Loan

ANSWER: C, Remit - *A Merchant Cash Advance payment is referred to as a Remit or Remittance*

3. The word describing the length of time it takes (usually in months) for the funding company to collect on a merchants future receivables that were purchased by the funding company is \_\_\_\_\_.  
A. Term  
B. Turn  
C. Payback  
D. Advance

ANSWER: B, Turn is the word used to describe the length of time that a Funding Company takes to collect on a merchant's future receivables for a Merchant Cash Advance

4. The length of time given to pay back a Loan:  
A. Term  
B. Turn  
C. Payback  
D. Advance

ANSWER: A, Term defines the length of time given to pay back a Loan.

5. The Merchant Cash Advance was developed after the 2008 financial crisis  
A. True  
B. False

ANSWER: B, False - *The Merchant Cash Advance was developed in the late 1980's or early 1990's*

6. The name "Merchant Cash Advance", was first coined in:

- A. 1997
- B. 2003
- C. 2015
- D. 2005

ANSWER: D, 2005 – *The name Merchant Cash Advance was first coined in 2005 in the Greensheet online forum*

7. Within the Merchant Cash Advance industry, 'ISO' stands for:
- A. Independent Sales Organization
  - B. Immediate Selling Opportunity
  - C. International Standards Organization
  - D. Independent Small-business Owner

ANSWER: A, *Independent Sales Organization. ISO can also be referred to as Independent Sales Office*

8. The funding companies can have their own internal ISO
- A. True
  - B. False

ANSWER: A, True – *Many funding companies do have their own internal sales team, who can also act as an ISO and submit deals to other funding companies if they do not want to move forward with a file*

9. The funding companies provide the ISO's with the small business owners who are interested in securing financing
- A. True
  - B. False

ANSWER: B, False - *The ISO's provide the funding companies with the small business owner's submission documents who are interested in securing financing*

10. The merchant pays a commission to the ISO at funding as part of the closing costs
- A. True
  - B. False

ANSWER: B, False - *The Funding Company pays the ISO a commission shortly after funding a merchant with them*

11. To pay back a Loan, a merchant makes payments directly to the ISO
- A. True
  - B. False

ANSWER: B. False – *The merchant makes payments/remits directly to the Funding Company*

12. The Funding Company may contain all except:

- A. Managers
- B. Underwriters
- C. ISO relations department
- D. ISO

ANSWER: A, B, C & D (All of the above) – *The funding company will have Underwriters who underwrite the files; Management who create and monitor underwriting guidelines, and an ISO relations department is used as a buffer for underwriters. They can also have their own internal Sales Organization (ISO) who can submit deals or files to other funding companies.*