Questions 29–40

The organization that today is known as the Bank of America did start out in America, but under quite a different name. Italian American A.P. Giannini established this bank on October 17, 1904, in a renovated saloon in San Francisco's Italian community of North Beach under the name Bank of Italy, with immigrants and first-time bank customers comprising the majority of his first customers. During its development, Giannini's bank survived major crises in the form of a natural disaster and a major economic upheaval that not all other banks were able to overcome.

One major test for Giannini's bank occurred on April 18, 1906, when a massive earthquake struck San Francisco, followed by a raging fire that destroyed much of the city. Giannini obtained two wagons and teams of horses, filled the wagons with the bank's reserves, mostly in the form of gold, covered the reserves with crates of oranges, and escaped from the chaos of the city with his clients' funds protected. In the aftermath of the disaster, Giannini's bank was the first to resume operations. Unable to install the bank in a proper office setting, Giannini opened up shop on the Washington Street Wharf on a makeshift desk created from boards and barrels.

In the period following the 1906 fire, the Bank of Italy continued to prosper and expand. By 1918 there were twenty-four branches of the Bank of Italy, and by 1928 Giannini had acquired numerous other banks, including a Bank of America located in New York City. In 1930 he consolidated all the branches of the Bank of Italy, the Bank of America in New York City, and another Bank of America that he had formed in California into the Bank of America National Trust and Savings Association.

A second major crisis for the bank occurred during the Great Depression of the 1930s. Although Giannini had already retired prior to the darkest days of the Depression, he became incensed when his successor began selling off banks during the bad economic times. Giannini resumed leadership of the bank at the age of sixty-two. Under Giannini's leadership, the bank weathered the storm of the Depression and subsequently moved into a phase of overseas development.

29. According to the passage, Giannini
    (A) opened the Bank of America in 1904
    (B) worked in a bank in Italy
    (C) set up the Bank of America prior to setting up the Bank of Italy
    (D) later changed the name of the Bank of Italy

30. Where did Giannini open his first bank?
    (A) In New York City
    (B) In what used to be a bar
    (C) On Washington Street Wharf
    (D) On a makeshift desk

31. According to the passage, which of the following is NOT true about the San Francisco earthquake?
    (A) It happened in 1906.
    (B) It occurred in the aftermath of a fire.
    (C) It caused problems for Giannini's bank.
    (D) It was a tremendous earthquake.

32. The word "raging" in line 8 could best be replaced by
    (A) angered
    (B) localized
    (C) intense
    (D) feeble

33. It can be inferred from the passage that Giannini used crates of oranges after the earthquake
    (A) to hide the gold
    (B) to fill up the wagons
    (C) to provide nourishment for his customers
    (D) to protect the gold from the fire

34. The word "chaos" in line 10 is closest in meaning to
    (A) legal system
    (B) extreme heat
    (C) overdevelopment
    (D) total confusion

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