

Student Activities



Lesson Six

Banking Services



choosing a checking account

name of bank: _____

branch information

■ Branch nearest your home: _____

■ Branch nearest your work: _____

■ Number of branches: _____

number of ATMs: _____

bank hours: _____

are your funds insured? _____

types of accounts: _____

fees:

■ Must maintain a minimum daily balance of: _____

■ Must maintain an average daily balance of: _____

■ Monthly maintenance charge: _____

interest:

■ How much interest do you earn on your account? _____

■ How is it calculated? _____

charges: _____

checks:

Printing checks _____

Bouncing checks _____

Stopping checks _____

Certifying checks _____

balance inquiries:

At teller window _____

At ATMs _____

By phone _____

withdrawals at:

Teller window _____

Bank-owned ATMs _____

Regional network ATMs _____

National network ATMs _____

International network ATMs _____

special services:

Fund transfer by phone _____

Pre-authorized bill payment _____

Signature guarantee _____

Bill payment by phone _____

Check card _____

deposits: _____



keeping a running balance

record deposits and keep a running balance in the checkbook register below.

1. On May 26, your balance is \$527.96.
2. On May 27, you write check #107 to your landlord, Mrs. Wilson, for \$226.00.
3. On May 28, you use your check card at Foodland for \$22.52.
4. On June 1, you write a check for \$156.32 to Bank of Illinois for your car payment.
5. On June 1, you realize your check to the Bank of Illinois should have been for \$165.23, so you void the first check and write a new check for \$165.23.
6. On June 2, you write a check to Interstate Phone Service for \$62.77.
7. On June 2, you use your ATM card to withdraw \$20.00.
8. On June 15, your paycheck for \$425.00 is automatically deposited.
9. On June 15, you use your check card at Gifts Plus to buy a \$18.99 birthday present for your mother.
10. On June 15, you write a check for \$246.45 to State Ranch to cover your car insurance premium.
11. On June 22, you transfer \$100.00 online from your checking account to your savings account.
12. On June 24, you use your check card at Gas Up to fill up your car. You spend \$12.88.
13. On June 28, you use your ATM card to withdraw \$30.00 from your checking account.

CHECK NO.	DATE	DESCRIPTION	TRANSACTION AMOUNT	DEPOSIT AMOUNT	BALANCE

keeping a running balance (continued)

CHECK NO.	DATE	DESCRIPTION	TRANSACTION AMOUNT	DEPOSIT AMOUNT	BALANCE

use the check register you just completed to answer the following questions:

1. What was your account balance on May 30?

2. Could you have paid your car insurance payment on June 1 instead of June 15? If not, why?

3. The love of your life has been in a bad mood lately, and you think an expensive present might help. You've found a leather jacket on sale for \$189.00. Can you afford to buy the jacket on June 8? What will your account balance be if you do?

4. The hottest new band in town has just released a CD. It costs \$21.99. Can you afford to buy the CD on June 2? What will your account balance be if you do?

5. What was your account balance after you withdrew \$30.00 on June 28?

6. What was the amount of check #111, to whom did you write it, and for what?



reading a bank statement

using the bank statement on the next page, answer the following questions:

- 1.** What period does this statement cover?
- 2.** What is the account number of this statement?
- 3.** How many deposits were made and what were the amounts?
- 4.** How many checks cleared and what was the total dollar amount of the checks that cleared?
- 5.** Was there any ATM activity? If so, how many transactions were there, and what was the total amount?
- 6.** Was there any check card activity? If so, how many transactions were there, and what was the total amount?
- 7.** Were there any service charges? If so, what was the total amount?
- 8.** What is the total of all withdrawals (checks, ATM transactions, check card transactions, service charges)?
- 9.** What is the new balance of the account?
- 10.** Did check #182 clear?
- 11.** What was the amount of check #183?
- 12.** Did check #185 clear?
- 13.** What was the amount of check #187?

reading a bank statement (continued)

THIS STATEMENT COVERS 5/20/09 through 6/18/09						
CHECKING ACCOUNT 0471-678	Previous Statement Balance On 5/19/09				612.04	
	Total of 3 Deposits For				1,980.68 +	
	Total of 10 Withdrawals For				1,705.25 -	
	New Balance				883.97 +	
CHECKS & OTHER DEBITS 0471-678	CHECK	DATE PAID	AMOUNT	CHECK	DATE PAID	AMOUNT
	181	5/24	15.00	184	5/17	1232.27
	182	6/04	17.00	*186	5/30	54.47
	183	5/26	217.54	187	6/03	53.97
		Withdrawal #00281 at ATM #423A			5/24	40.00
		Withdrawal #02628 at ATM #423A			5/30	20.00
		Withdrawal #08744 at ATM #430E			6/15	20.00
DEPOSITS & OTHER CREDITS			DATE POSTED		AMOUNT	
	Transfer from 4039-557 at ATM #423C		5/27		1200.00	
	Customer Deposit at ATM #423A on 5/12		6/14		521.78	
	Direct Deposit from #05323 on 5/17		6/18		258.90	
ATM LOCATIONS USED	423A: 2500 Centre Plaza, Anytown, USA					
	423C: 3500 Centre Plaza, Anytown, USA					
	430E: 945 Hamilton Avenue, Big City, USA					

reconciling an account

use the bank statement, check register, and reconciliation worksheet on this and the following page to balance this checkbook.

THIS STATEMENT COVERS 6/20/09 through 7/19/09			
CHECKING ACCOUNT 0471-678	Previous Statement Balance On 6/19/09		150.67
	Total of 1 Deposits For		1,200.00 +
	Total of 6 Withdrawals For		1,246.98 -
	New Balance		103.69 +
CHECKS & OTHER DEBITS	CHECK	DATE PAID	AMOUNT
	161	6/21	216.30
	162	6/26	82.87
	163	6/29	1000.00
	ATM Withdrawal #00261 at ATM #423A	6/18	35.00
	ATM Withdrawal #00476 at ATM #426B	6/25	20.00
	Check Card #00686 Foodland EFT	6/18	55.00
	Check Card #01275 EZ-Shoppe	6/26	54.11
DEPOSITS & OTHER CREDITS	DATE POSTED	AMOUNT	
	Transfer from 4039-557 at ATM #423C	6/23	1200.00

CHECK NO.	DATE	DESCRIPTION	TRANSACTION AMOUNT	DEPOSIT AMOUNT	BALANCE	
					366	97
161	6/4	Sound Out	216 30		216	30
		bew CD player			150	67
ATM	6/18	withdrawal	35 00		35	00
		spending money			115	67
ChkCrd	6/18	Check Card	55 00		55	00
		Foodland Groceries			60	67
ATM	6/23	deposit		1200 00	2100	00
		transfer from savings			1260	67
162	6/24	Racy's	82 87		82	87
		new clothes			1177	80
ATM	6/25	withdrawal	20 00		20	00
		movie and pizza			1157	80
163	6/26	Woodland Apt's	1000 00		1000	00
		rent			157	80
ChkCrd	6/26	E-Z Shoppe	54 11		54	11
		groceries			103	69
164	7/5	CD Place	26 31		26	31
		acct. #7M3406			77	38
165	7/14	Lucasfilm, Ltd.	10 00		10	00
		"Monkey Island" T-shirt			67	38
ATM	1/19	deposit		253 17	253	17
		pay check			320	55

reconciling an account (continued)

ITEMS OUTSTANDING		
NUMBER	AMOUNT	
TOTAL		

enter
The **New Balance** shown on your statement \$ _____

add
Any deposits or transfers listed in your register that are not shown on your statement \$ _____
\$ _____
\$ _____

total + \$ _____

calculate the subtotal \$ _____

subtract
Your total outstanding checks and withdrawals - \$ _____

calculate the ending balance
This amount should be the same as the current balance in your check register \$ _____

use the information on this and the previous page to answer the following questions:

1. What is the new balance shown on the statement?

2. What is the total amount of deposits listed in the check register but not shown on the statement?

3. What is the sum of the new balance and the deposits not shown on the statement?

4. What is the total amount of outstanding checks and withdrawals?

5. What is the ending balance?



lesson six quiz: banking services

true-false

1. ____ A pawnshop offers loans to people starting their own business.
2. ____ Opening a checking account requires completing a signature card.
3. ____ A blank endorsement allows anyone to cash a check.
4. ____ A “smart card” stores a person’s bank balance right on the plastic card.
5. ____ An outstanding check refers to one written on an account with a very low balance.

multiple choice

- | | |
|---|---|
| <p>6. ____ The highest loan rates usually occur when borrowing from a:</p> <ul style="list-style-type: none">A. bankB. credit-card companyC. pawnshopD. credit union | <p>8. ____ Obtaining cash from an ATM is similar to:</p> <ul style="list-style-type: none">A. writing a checkB. making a depositC. opening a new accountD. earning interest on your account |
| <p>7. ____ A _____ is used to add funds to a bank account.</p> <ul style="list-style-type: none">A. checkB. deposit slipC. signature cardD. withdrawal slip | <p>9. ____ A service charge on your bank statement will result in:</p> <ul style="list-style-type: none">A. a higher balanceB. a lower balanceC. earning more interestD. more outstanding checks |

case application

A recent bank statement for Tracy Gray revealed various service charges and fees of over \$10. How might Tracy reduce her costs for banking fees?