## 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: | balance inquiries: |
| Printing checks | At teller window |
| Bouncing checks | $\overline{\text { At ATMs }}$ |
| Stopping checks | By phone |
| Certifying checks |  |
| withdrawals at: | special services: |
| Teller window | Fund transfer by phone |
| Bank-owned ATMs | Pre-authorized bill payment |
| Regional network ATMs | Signature guarantee |
| National network ATMs | Bill payment by phone |
| International network ATMs | 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.


## keeping a running balance (continued)


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 debit 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 Total of 3 Deposits For Total of 10 Withdrawals For |  |  |  |  | 612.04 |
|  |  |  |  |  |  | 1,980.68 + |
|  |  |  |  |  |  | 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 Withdrawal \#02628 at ATM \#423A Withdrawal \#08744 at ATM \#430E |  |  |  | 5/24 | 40.00 |
|  |  |  |  |  | 5/30 | 20.00 |
|  |  |  |  |  | 6/15 | 20.00 |
| DEPOSITS \& OTHER CREDITS | Transfer from 4039-557 at ATM \#423C Customer Deposit at ATM \#423A on 5/12 Direct Deposit from \#05323 on 5/17 |  |  |  | DATE POSTED 5/27 | AMOUNT <br> 1200.00 |
|  |  |  |  |  | 6/14 | 521.78 |
|  |  |  |  |  | 6/18 | 258.90 |
| ATM LOCATIONS USED | 423A: 2500 Centre Plaza, Anytown, USA 423C: 3500 Centre Plaza, Anytown, USA 430E: 945 Hamilton Avenue, Big Clty, 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 <br> Total of 1 Deposits For <br> Total of 6 Withdrawals For |  |  | $\begin{gathered} 150.67 \\ 1.200 .00+ \\ 1,246.98= \end{gathered}$ |
|  | New Balance |  |  | $103.69+$ |
| CHECKS \& OTHER DEBITS |  | CHECK | DATE PAID | AMOUNT |
|  |  |  |  | 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 | Transfer from 4039-557 at ATM \#423C |  | DATE POSTED 6/23 | AMOUNT |


| 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 |  |
| :--- | :--- | :--- |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

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
\$ $\qquad$
\$ $\qquad$
\$ \$ $\qquad$
+\$ $\qquad$
\$ $\qquad$
-\$ $\qquad$
\$ $\qquad$

## 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. O__ 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

6. ___ The highest loan rates usually occur when borrowing from a:
A. bank
B. credit-card company
C. pawnshop
D. credit union
7. $\qquad$ A ___ is used to add funds to a bank account.
A. check
B. deposit slip
C. signature card
D. withdrawal slip
8. __ Obtaining cash from an ATM is similar to:
A. writing a check
B. making a deposit
C. opening a new account
D. earning interest on your account
9. _ A service charge on your bank statement will result in:
A. a higher balance
B. a lower balance
C. earning more interest
D. 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?

