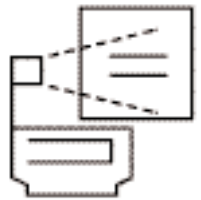


lesson six

banking services



overheads



beware of these high-cost financial services

pawn shops charge very high interest for loans based on the value of tangible assets (such as jewellery or other valuable items).

rent-to-own programs offer an opportunity to obtain home entertainment systems or appliances for a small weekly fee. However, the amount paid for the item usually far exceeds the cost if the item were bought on credit.

cheque-cashing outlets charge high fees (sometimes 2 or 3 percent) just to have a paycheque or government cheque cashed.

rapid-refund tax services provide “instant refunds” when you pay to have your federal tax return prepared. However, this “instant refund” is a loan with interest rates as high as 120 percent.

cheque-deferral services allow consumers to get a cash advance on their next paycheque. However, these short-term loans are very expensive. A \$200, two-week advance may cost over \$30 (with annual costs exceeding \$900).

comparing chequing accounts



location

branch offices; hours of operation; availability of ATMs

fees

monthly fees; per cheque fees; printing of cheques; balance inquiry fees; ATM fees

other charges

overdraft charge; stop-payment fees; certified cheque fees

interest

rate earned; minimum deposit to earn interest; compounding method; fee charged for falling below necessary balance

restrictions

minimum balance; deposit insurance; holding period for deposited cheques

special features

direct deposit; automatic payments; overdraft protection; online banking; discounts or free chequing for students, seniors, or employees of certain companies



opening a chequing account

| | | | | | | |
|---|-----|----------|------------|----------------|---------------------------------------|-------------------------|
| APPLICATION FOR DEPOSIT SERVICES | | | | | | Branch Transit # |
| Branch Name | | | | | | |
| Information About You | | | | | | |
| First Customer Name | | | | | Product(s) Service(s) at bank? | |
| Address | | | | | | |
| City & Province | | | | | Postal Code | |
| Birthdate | SIN | Language | Home Phone | Business Phone | | |
| I.D. | | | I.D. | | | |
| Employer | | | Occupation | | | |
| Joint Customer Name | | | | | Product(s) Service(s) at bank? | |
| Address | | | | | | |
| City & Province | | | | | Postal Code | |
| Birthdate | SIN | Language | Home Phone | Business Phone | | |
| I.D. | | | I.D. | | | |
| Employer | | | Occupation | | | |
| Mailing Address (if different from above) | | | | | | |

Deposit Services Set-up as Requested By You Today

| Packages | | | Other Services | | |
|-----------------|-------|-----------|-----------------|-------|-----------|
| Type of Service | Setup | Requested | Type of Service | Setup | Requested |
| | | | | | |

| Deposit Accounts | | | | | | | |
|------------------------|-----------|---------------------|---------------|-----------------------|-----------------------|-----------------|-----------------|
| Type of Service | Account # | Signing Arrangement | Recordkeeping | Personalized Cheques? | Cheque Return Option? | Initial Deposit | Source of Funds |
| | | | | | | | |
| Particulars of Deposit | | | | | | | |
| | | | | | | | |

PIN (Personal Identification Number) Request
 Credit Card / Debit Card for First Customer

Credit Card / Debit Card for Joint Customer

You apply for the services indicated on this application and agree to be bound by the agreements governing these services. You agree to pay the service charges which may be levied in connection with the services you have applied for.

First Customer Signature _____

Joint Customer Signature _____

Date: _____ Prepared by: _____

Date: _____ Prepared by: _____

making a deposit



| | | | | | | | | | |
|--|--|--|--|-------------------------|----------|--|--|--|----------|
| 323-21 1610 | | 1 Your First Bank Anytown, Canada | | | | | | | 2 |
| 1 DATE _____ SIGN HERE IN TELLER'S PRESENCE FOR CASH RECEIVED | | 4 _____ | | CASH | CURRENCY | | | | 3 |
| | | | | | COINS | | | | 5 |
| | | | | LIST CHEQUES SINGLY | | | | | 6 |
| | | | | TOTAL FROM OTHERSIDE | | | | | 7 |
| | | | | TOTAL | | | | | 8 |
| | | | | LESS CASH RECEIVED | | | | | 9 |
| | | | | NET DEPOSIT | | | | | |
| :9124 6027 486566519 30937 3620000 108 | | | | | | | | | |

- Write the date you are making the deposit in this field.
- If you are depositing currency (paper bills), write the total amount here.
- If you are depositing coins, write the total amount here.
- If you are depositing a cheque, write the name of the person/company who wrote the cheque here.
- Write the amount of the cheque here.
- If you are depositing more cheques than can be listed on the front, continue to list them on the back, and write the total amount of the cheques on back here.
- Write the total amount you are depositing here.
- If you are making a deposit inside a bank with a teller and you want to receive cash back from your deposit, write the amount you want in this field.
- Write the total amount (less cash back) of your deposit in this field.



endorsing a cheque

blank endorsement

Anyone can cash cheque

A diagram showing a triangular section of a cheque being folded over. The top part of the triangle contains the signature "John Doe". The rest of the triangle is blank. The main body of the cheque is visible to the right, showing the number "#127" and "1600" above the number "20". Below this is a line for the dollar amount, followed by "\$" and another line, and then "DOLLARS". At the bottom right, there is a MICR line: "⑆ 7534964 127".

restrictive endorsement

More secure than blank endorsement

A diagram showing a triangular section of a cheque being folded over. The top part of the triangle contains the text "For deposit only" and "Acc# 0417-678" above the signature "John Doe". The rest of the triangle is blank. The main body of the cheque is visible to the right, showing the number "#127" and "1600" above the number "20". Below this is a line for the dollar amount, followed by "\$" and another line, and then "DOLLARS". At the bottom right, there is a MICR line: "⑆ 7534964 127".

special (or full) endorsement

Transfer cheque to another party

A diagram showing a triangular section of a cheque being folded over. The top part of the triangle contains the text "Pay to the order of Jane Smith" above the signature "John Doe". The rest of the triangle is blank. The main body of the cheque is visible to the right, showing the number "#127" and "1600" above the number "20". Below this is a line for the dollar amount, followed by "\$" and another line, and then "DOLLARS". At the bottom right, there is a MICR line: "⑆ 7534964 127".

writing a cheque



1 Your First Bank Anytown, Canada #127 30221 1610

2 PAY TO THE ORDER OF _____ \$ _____

3 _____

4 100 DOLLARS

5 John Doe
Mary Doe
2111 Elm Street
Anytown, Canada

6 _____

7 MEMO _____

8 :9124 6027 481546519 00523 7534914 127

- 1. Date** Enter the date you are writing the cheque.
- 2. Payee** Enter the name of the person or the company to whom you are going to give the cheque.
- 3. Amount of cheque in numerals** Enter the amount of the cheque, in numbers. Don't leave any space between the pre-printed dollar symbol (\$) and the numbers indicating the amount of the cheque; there should be no room for someone to add in extra numbers.
- 4. Amount of cheque in words** Enter the amount of the cheque in words. Start writing at the far left side of the line. Follow the dollar amount by the word "and," then write the amount of cents over the number 100. Draw a line from the end of the 100 to the end of the line.
- 5. Name** Your personal information is printed here.
- 6. Signature** Sign your cheque exactly the way you signed your name on the signature card you filled out when you opened your account.
- 7. Memo** Use this space to note why you wrote the cheque. If you are paying a bill, this is a good place to put information requested by the company.
- 8. Identification numbers** These numbers are used to identify the bank, your account number, and the check number. They are printed in a special magnetic ink that machines can read.



keeping a running balance

(a) Keeping a Running Balance: Cheque Transaction

| CHECK NO. | DATE | DESCRIPTION | TRANSACTION AMOUNT | | DEPOSIT AMOUNT | BALANCE | |
|-----------|------|-------------|--------------------|----|----------------|---------|----|
| | | | | | | 366 | 97 |
| 101 | 6/4 | Sound Out | 216 | 30 | | 150 | 67 |
| | | | | | | | |
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(b) Keeping a Running Balance: ATM Cards

| CHECK NO. | DATE | DESCRIPTION | TRANSACTION AMOUNT | | DEPOSIT AMOUNT | BALANCE | |
|-----------|------|-------------|--------------------|----|----------------|---------|----|
| | | | | | | 366 | 97 |
| 101 | 6/4 | Sound Out | 216 | 30 | | 150 | 67 |
| ATM | 6/10 | withdrawal | 35 | 00 | | 115 | 67 |
| | | | | | | | |
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(c) Keeping a Running Balance: Debit Cards

| CHECK NO. | DATE | DESCRIPTION | TRANSACTION AMOUNT | | DEPOSIT AMOUNT | BALANCE | |
|-----------|------|-------------|--------------------|----|----------------|---------|----|
| | | | | | | 366 | 97 |
| 101 | 6/4 | Sound Out | 216 | 30 | | 150 | 67 |
| ATM | 6/10 | withdrawal | 35 | 00 | | 115 | 67 |
| DrCard | 6/10 | debit card | 55 | 00 | | 60 | 67 |
| | | | | | | | |
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reading a bank statement



STATEMENT FOR

Jane Doe
4 Primrose Lane
Anytown, Canada

THIS STATEMENT COVERS

12/20__ through 1/18__

| | | |
|---|---|------------|
| CHEQUING ACCOUNT 0471-678 | Previous Statement Balance On 12/19/__ | 612.04 |
| | Total of 3 Deposits For | 1,980.68 + |
| | Total of 10 Withdrawals For | 1,705.25 - |
| | Total Service Charges | 3.50 - |
| New Balance | | 883.97 + |

| CHEQUES AND OTHER DEBITS | CHEQUE | DATE PAID | AMOUNT | CHEQUE | DATE PAID | AMOUNT |
|-------------------------------------|--------------------------------|------------------|---------------|---------------|------------------|---------------|
| | 181 | 12/24 | 15.00 | 184 | 12/17 | 1232.27 |
| | 182 | 1/04 | 17.00 | 186 | 12/31 | 54.47 |
| | 183 | 12/26 | 217.54 | 187 | 1/03 | 53.97 |
| | Monthly Maintenance Charge | | | | 1/18 | 3.50 |
| | Withdrawal #00281 at ATM #423A | | | | 12/24 | 40.00 |
| | Withdrawal #02628 at ATM #423A | | | | 12/31 | 20.00 |
| | Withdrawal #08744 at ATM #430E | | | | 1/15 | 20.00 |
| | Withdrawal #02456 Debit Card | | | | 1/16 | 35.00 |

| DEPOSITS AND OTHER CREDITS | DATE POSTED | AMOUNT |
|---------------------------------------|--------------------|---------------|
| Transfer from 4039-557 at ATM #423C | 12/27 | 1200.00 |
| Customer Deposit at ATM #423A on 1/12 | 1/14 | 521.78 |
| Direct Deposit from #05323 on 1/17 | 1/18 | 258.90 |

| | |
|-----------------------------------|---|
| ATM LOCATIONS USED | 423A: 2500 Centre Plaza, Anytown, Canada |
| | 423C: 2500 Centre Plaza, Anytown, Canada |
| | 430E: 945 Hamilton Ave., Big City, Canada |

THANK YOU FOR BANKING WITH Your First Bank



reconciling a chequing account

step 1: Obtain the current balance from your bank statement.

step 2: Add any deposits that you have recorded in your cheque register but that are not on this statement.

step 3: Subtract any outstanding cheques (cheques you have written but that have not yet cleared the banking system).

step 4: Compare the result with the current balance in your cheque register.

Note:

The balance in your cheque register should be adjusted to include:
(a) deductions for service fees or other charges; (b) additions for direct deposits and interest earned.

| ITEMS OUTSTANDING | |
|-------------------|--------|
| NUMBER | AMOUNT |
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| | |
| 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 cheques and withdrawals - \$ _____

calculate the ending balance

This amount should be the same as the current balance in your cheque register \$ _____

electronic banking services



direct deposit... earnings (or government payments) automatically deposited into bank accounts, saving time, effort, and money.

automatic payments... utility companies, loan payments, and other businesses use an automatic payment system with bills paid through direct withdrawal from a bank account.

automatic teller machines... allow customers to obtain cash and conduct banking transactions.

point-of-sale transactions... acceptance of ATM/debit cards at retail stores and restaurants for payment of goods and services.

stored-value cards... prepaid cards for telephone service, transit fares, laundry service, library fees, and school lunches.

electronic cash... companies are developing electronic replicas of all existing payment systems—cash, cheques, debit cards, and coins.

internet/cyberbanking... banking through online services. Banks with Web site “cyber” branches allow customers to check balances, pay bills, transfer funds, compare savings plans, and apply for loans on the Internet.



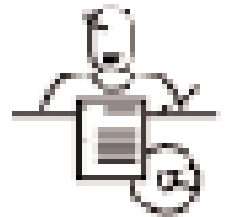
smart cards

smart cards, sometimes called “electronic wallets,” look like ATM cards; however, they also include a microchip.

- This minicomputer stores prepaid amounts for buying goods and services, keeps track of the transactions, and maintains an electronic balance of the value of the card.
- A smart card may also store data about a person’s account balances, transaction records, insurance information, and medical history.
- Smart cards may be issued by a variety of sources including banks, merchants and telephone or utility companies.
- Some smart cards may be reloaded at a bank or at an ATM. Others may be disposed of after their prepaid value has been used.
- Uses for smart cards will expand in the future.

lesson six

banking services



student activities

name: _____

date: _____



choosing a chequing 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:

cheques:

Printing cheques

NSF cheques

Stopping cheques

Certifying cheques

balance inquiries:

At teller window

At ATMs

By phone

By computer

withdrawals at:

Teller window

Bank-owned ATMs

Interac ATMs

National network ATMs

International network ATMs

special services

Fund transfer by phone

Pre-authorized bill payment

Signature guarantee

Bill payment by phone

Cheque card

deposits:

name: _____

date: _____



keeping a running balance

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

1. On May 26, your balance is \$527.96.
2. On May 27, you write cheque #107 to your landlord, Mrs. Wilson, for \$226.00.
3. On May 28, you use your debit card at Food Mart for \$22.52.
4. On June 1, you write a cheque for \$156.32 to Gateway Motors for your car payment.
5. On June 1, you realize your cheque to Gateway Motors should have been for \$165.23, so you void the first cheque and write a new cheque for \$165.23.
6. On June 2, you write a cheque to your phone company for \$62.77.
7. On June 2, you use your ATM card to withdraw \$20.00.
8. On June 15, your paycheque for \$425.00 is automatically deposited.
9. On June 15, you use your debit card at Gifts Plus to buy a \$18.99 birthday present for your mother.
10. On June 15, you write a cheque for \$246.45 to XYZ Insurance Co. to cover your insurance premium.
11. On June 22, you transfer \$100.00 online from your chequing account to your savings account.
12. On June 24, you use your debit 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 chequing account.

| CHEQUE NO. | DATE | DESCRIPTION | TRANSACTION AMOUNT | | DEPOSIT AMOUNT | | BALANCE | |
|------------|------|-------------|--------------------|--|----------------|--|---------|--|
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keeping a running balance (continued)

| CHECK NO. | DATE | DESCRIPTION | TRANSACTION | | DEPOSIT | BALANCE | |
|-----------|------|-------------|-------------|--|---------|---------|--|
| | | | AMOUNT | | | AMOUNT | |
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use the cheque 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 cheque #111, to whom did you write it, and for what?

keeping a running balance answer key



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

1. On May 26, your balance is \$527.96.
2. On May 27, you write cheque #107 to your landlord, Mrs. Wilson, for \$226.00.
3. On May 28, you use your debit card at Food Mart for \$22.52.
4. On June 1, you write a cheque for \$156.32 to Gateway Motors for your car payment.
5. On June 1, you realize your cheque to Gateway Motors should have been for \$165.23, so you void the first cheque and write a new cheque for \$165.23.
6. On June 2, you write a cheque to your phone company for \$62.77.
7. On June 2, you use your ATM card to withdraw \$20.00.
8. On June 15, your paycheque for \$425.00 is automatically deposited.
9. On June 15, you use your debit card at Gifts Plus to buy a \$18.99 birthday present for your mother.
10. On June 15, you write a cheque for \$246.45 to XYZ Insurance Co. to cover your insurance premium.
11. On June 22, you transfer \$100.00 online from your chequing account to your savings account.
12. On June 24, you use your debit 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 chequing account.

| CHEQUE NO. | DATE | DESCRIPTION | TRANSACTION AMOUNT | | DEPOSIT AMOUNT | | BALANCE |
|------------|------|----------------------|--------------------|----|----------------|----|---------|
| | | | | | | | 527 |
| 107 | 5/27 | Mrs. Wilson | 226 | 00 | | | 301 96 |
| DrCard | 5/28 | Debit-card Food Mart | 22 | 52 | | | 279 44 |
| 108 | 6/1 | Gateway Motors | 156 | 32 | | | 123 12 |
| | 6/1 | Void Cheque #108 | | | 156 | 32 | 279 44 |
| 109 | 6/1 | Gateway Motors | 165 | 23 | | | 114 21 |
| 110 | 6/2 | Phone Company | 62 | 77 | | | 51 44 |
| ATM | 6/2 | cash withdrawal | 20 | 00 | | | 31 44 |
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keeping a running balance answer key

| CHECK NO. | DATE | DESCRIPTION | TRANSACTION AMOUNT | | DEPOSIT AMOUNT | | BALANCE | |
|-----------|------|-----------------------------------|--------------------|----|----------------|----|---------|----|
| | | | | | | | 31 | 44 |
| ATM | 6/15 | deposit | | | 425 | 00 | 466 | 44 |
| DrCrd | 6/15 | Debit card- gift plus mom's b-day | 18 | 99 | | | 437 | 46 |
| 111 | 6/15 | XYZ Insurance | 246 | 45 | | | 191 | 00 |
| ATM | 6/22 | transfer to savings | 100 | 00 | | | 91 | 00 |
| DrCrd | 6/24 | Debit card- Gas Up | 12 | 88 | | | 78 | 12 |
| ATM | 6/28 | withdrawal | 30 | 00 | | | 48 | 12 |
| | | | | | | | | |
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use the cheque register you just completed to answer the following questions:

1. What was your account balance on May 30?
\$279.44

2. Could you have paid your car insurance payment on June 1 instead of June 15? If not, why?
No — the payment was \$246.45 but the account balance on June 1 was only \$114.21

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?
No — the account will be overdrawn by \$157.56

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?
Yes — \$9.45

5. What was your account balance after you withdrew \$30.00 on June 28?
\$48.12

6. What was the amount of check #111, to whom did you write it, and for what?
\$246.45 to XYZ Insurance for a car insurance payment

name: _____

date: _____



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 cheques cleared and what was the total dollar amount of the cheques 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 (cheques, ATM transactions, debit card transactions, service charges)?
9. What is the new balance of the account?
10. Did cheque #182 clear?
11. What was the amount of cheque #183?
12. Did cheque #185 clear?
13. What was the amount of cheque #187?

reading a bank statement (continued)



STATEMENT FOR

Jane Doe
4 Primrose Lane
Anytown, Canada

THIS STATEMENT COVERS

12/20__ through 1/18__

| | | |
|-------------------------------------|---|-----------------|
| CHEQUING ACCOUNT 0471-678 | Previous Statement Balance On 12/19/__ | 612.04 |
| | Total of 3 Deposits For | 1,980.68 + |
| | Total of 10 Withdrawals For | 1,705.25 - |
| | Total Service Charges | 3.50 - |
| New Balance | | 883.97 + |

| CHEQUES AND OTHER DEBITS | CHEQUE | DATE PAID | AMOUNT | CHEQUE | DATE PAID | AMOUNT |
|---------------------------------|--------------------------------|------------------|---------------|---------------|------------------|---------------|
| | 181 | 12/24 | 15.00 | 184 | 12/17 | 1232.27 |
| | 182 | 1/04 | 17.00 | 186 | 12/31 | 54.47 |
| | 183 | 12/26 | 217.54 | 187 | 1/03 | 53.97 |
| | Monthly Maintenance Charge | | | | 1/18 | 3.50 |
| | Withdrawal #00281 at ATM #423A | | | | 12/24 | 40.00 |
| | Withdrawal #02628 at ATM #423A | | | | 12/31 | 20.00 |
| | Withdrawal #08744 at ATM #430E | | | | 1/15 | 20.00 |
| | Withdrawal #02456 Debit Card | | | | 1/16 | 35.00 |

| DEPOSITS AND OTHER CREDITS | | DATE POSTED | AMOUNT |
|-----------------------------------|---------------------------------------|--------------------|---------------|
| | Transfer from 4039-557 at ATM #423C | 12/27 | 1200.00 |
| | Customer Deposit at ATM #423A on 1/12 | 1/14 | 521.78 |
| | Direct Deposit from #05323 on 1/17 | 1/18 | 258.90 |

| | |
|---------------------------|---|
| ATM LOCATIONS USED | 423A: 2500 Centre Plaza, Anytown, Canada |
| | 423C: 2500 Centre Plaza, Anytown, Canada |
| | 430E: 945 Hamilton Ave., Big City, Canada |

THANK YOU FOR BANKING WITH Your First Bank

reading a bank statement answer key



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

1. What period does this statement cover?
12/20/___ - 1/18/___
2. What is the account number of this statement?
0471-678
3. How many deposits were made and what were the amounts?
Three, for the amounts of \$1200, \$521.78, and \$258.90
4. How many cheques cleared and what was the total dollar amount of the cheques that cleared?
Six, for a total amount of \$1590.25
5. Was there any ATM activity? If so, how many transactions were there, and what was the total amount?
Yes — three for a total amount of \$80.00
6. Was there any debit card activity? If so, how many transactions were there, and what was the total amount?
Yes — one for a total amount of \$35.00
7. Were there any service charges? If so, what was the total amount?
Yes — \$3.50
8. What is the total of all withdrawals (cheques, ATM transactions, debit card transactions, service charges)?
\$1708.75
9. What is the new balance of the account?
\$883.97
10. Did cheque #182 clear?
Yes
11. What was the amount of cheque #183?
\$217.54
12. Did cheque #185 clear?
No, as it is not showing as paid on the statement.
13. What was the amount of cheque #187?
\$53.97

name: _____

date: _____



reconciling an account

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

| | | THIS STATEMENT COVERS 6/20/___ through 7/19/___ | |
|-------------------------------------|--|--|-----------------|
| CHEQUING ACCOUNT 0471-678 | Previous Statement Balance On 6/19/___ | | 150.67 |
| | Total of 1 Deposits For | | 1200.00 + |
| | Total of 6 Withdrawals For | | 1246.98 - |
| | Total Service Charges | | 0.00 - |
| | New Balance | | 103.69 + |
| CHEQUES AND OTHER DEBITS | CHEQUE | DATE PAID | AMOUNT |
| | 161 | 6/21 | 216.30 |
| | 162 | 6/26 | 82.87 |
| | 163 | 6/29 | 1000.00 |
| | ATM Withdrawal #00281 at ATM #423A | 6/18 | 35.00 |
| | ATM Withdrawal #00476 at ATM #426B | 6/25 | 20.00 |
| | Debit Card #00586 Foodland EFT | 6/18 | 55.00 |
| | Debit Card #01275 EZ-Shoppe | 6/26 | 54.11 |
| DEPOSITS AND OTHER CREDITS | DATE POSTED | AMOUNT | |
| Transfer from 4039-557 at ATM #423C | 6/23 | 1200.00 | |

| CHEQUE NO. | DATE | DESCRIPTION | TRANSACTION AMOUNT | | DEPOSIT AMOUNT | | BALANCE | |
|------------|------|-----------------|--------------------|----|----------------|----|---------|----|
| | | | | | | | 366 | 97 |
| 161 | 6/4 | Sound Out | 216 | 30 | | | 150 | 67 |
| ATM | 6/18 | withdrawal | 35 | 00 | | | 115 | 67 |
| DrCrd | 6/18 | Debit Card | 55 | 00 | | | 60 | 67 |
| ATM | 6/23 | deposit | | | 1200 | 00 | 1260 | 67 |
| 162 | 6/24 | Racy's | 82 | 87 | | | 1177 | 80 |
| ATM | 6/25 | withdrawal | 20 | 00 | | | 1157 | 80 |
| 163 | 6/26 | Woodland Apts. | 1000 | 00 | | | 157 | 80 |
| DrCrd | 6/26 | E-Z Shoppe | 54 | 11 | | | 103 | 69 |
| 164 | 7/5 | CD Place | 26 | 31 | | | 77 | 38 |
| 165 | 7/14 | Lucasfilm, Ltd. | 10 | 00 | | | 67 | 38 |
| ATM | 7/19 | deposit | | | 253 | 17 | 320 | 55 |
| | | | | | | | | |
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| | | | | | | | | |

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 cheques and withdrawals - \$ _____

calculate the ending balance

This amount should be the same as the current balance in your cheque register \$ _____

use the reconciliation worksheet above 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 cheque 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 cheques and withdrawals?
5. What is the ending balance?



reconciling an account answer key

| ITEMS OUTSTANDING | | |
|-------------------|-----------|-----------|
| NUMBER | AMOUNT | |
| 164 | 26 | 31 |
| 165 | 10 | 00 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| TOTAL | 36 | 31 |

enter

The **New Balance** shown on your statement \$ 103.69

add

Any deposits or transfers listed in your register that are not shown on your statement \$ 253.17
\$ _____
\$ _____

total + \$ 253.17

calculate the subtotal \$ 356.86

subtract

Your total outstanding cheques and withdrawals - \$ 36.31

calculate the ending balance

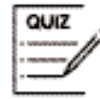
This amount should be the same as the current balance in your cheque register \$ 320.55

use the reconciliation worksheet above to answer the following questions:

- What is the new balance shown on the statement?
\$103.69
- What is the total amount of deposits listed in the cheque register but not shown on the statement?
\$253.17
- What is the sum of the new balance and the deposits not shown on the statement?
\$356.86
- What is the total amount of outstanding cheques and withdrawals?
\$36.31
- What is the ending balance?
\$320.55

name: _____

date: _____



lesson six quiz: banking services

true-false

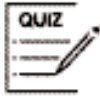
1. _____ A pawnshop offers loans to people starting their own business.
2. _____ Opening a chequing account requires completing a signature card.
3. _____ A blank endorsement allows anyone to cash a cheque.
4. _____ A “smart card” may store a person’s bank balance right on the plastic card.
5. _____ An outstanding cheque 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. _____ A _____ is used to add funds to a bank account.
A. cheque
B. deposit slip
C. signature card
D. withdrawal slip
8. _____ A _____ endorsement includes the words “FOR DEPOSIT ONLY.”
A. full
B. special
C. blank
D. restrictive
9. _____ Obtaining cash from an ATM is similar to:
A. writing a cheque.
B. making a deposit.
C. opening a new account.
D. earning interest on your account.
10. _____ 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 cheques.

case application

A recent bank statement for Istvan Zubov revealed various service charges and fees of over \$10. How might Istvan reduce his costs for banking fees?



lesson six quiz: banking services answer key

true-false

1. f A pawnshop offers loans to people starting their own business.
2. t Opening a chequing account requires completing a signature card.
3. t A blank endorsement allows anyone to cash a cheque.
4. t A “smart card” may store a person’s bank balance right on the plastic card.
5. f An outstanding cheque refers to one written on an account with a very low balance.

multiple choice

6. C The highest loan rates usually occur when borrowing from a:
A. bank.
B. credit-card company.
C. pawnshop.
D. credit union.
7. B A _____ is used to add funds to a bank account.
A. cheque
B. deposit slip
C. signature card
D. withdrawal slip
8. D A _____ endorsement includes the words “FOR DEPOSIT ONLY.”
A. full
B. special
C. blank
D. restrictive
9. A Obtaining cash from an ATM is similar to:
A. writing a cheque.
B. making a deposit.
C. opening a new account.
D. earning interest on your account.
10. B 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 cheques.

case application

A recent bank statement for Istvan Zubov revealed various service charges and fees of over \$10. How might Istvan reduce his costs for banking fees?

Istvan should start by analyzing his financial services habits. For example, if he uses an ATM often, the fees could be high. Or, if his checking account goes low he may have to pay a monthly fee or other charges for overdrawn accounts. If his fees are still high after careful use of banking services, he should compare the costs at other banks or a credit union and consider moving his account.