



## keeping a running balance *answer key*

**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 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
					<b>527.96</b>
107	5/27	Mrs. Wilson	226.00		226.00
		rent			301.96
ChkCard	5/28	Check-card Foodland	22.52		22.52
		groceries			279.44
108	6/1	Bank of Illinois	156.32		156.32
		car payment			25.12
109	6/1	Bank of Illinois	165.23		165.23
		car payment			114.21
110	6/2	Interstate Phone Service	62.77		62.77
		phone			51.44
ATM	6/2	cash withdrawal	20.00		20.00
					31.44

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CHECK NO.	DATE	DESCRIPTION	TRANSACTION AMOUNT	DEPOSIT AMOUNT	BALANCE	
						31.44
ATM	6/15	deposit		425.00		425.00
		pay check				456.44
ChkCrd	6/15	Check card- gift plus mom's b-day	18.99			18.99
						437.45
111	6/15	State Ranch	246.45			246.45
		insurance				191.00
ATM	6/22	transfer to savings	100.00			100.00
						91.00
ChkCrd	6/24	Check card- Gas Up	12.88			12.88
		gasoline				78.12
ATM	6/28	withdrawal	30.00			30.00
						48.12

**use the check 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 State Ranch for a car insurance payment*



## reading a bank statement *answer key*

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

1. What period does this statement cover?  
*12/20/07 - 1/18/08*
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 \$1,200, \$521.78, and \$258.90*
4. How many checks cleared and what was the total dollar amount of the checks that cleared?  
*Six, for a total amount of \$1,590.25*
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 check 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 (checks, ATM transactions, check card transactions, service charges)?  
*\$1,708.75*
9. What is the new balance of the account?  
*\$883.97*
10. Did check #182 clear?  
*Yes*
11. What was the amount of check #183?  
*\$217.54*
12. Did check #185 clear?  
*No*
13. What was the amount of check #187?  
*\$53.97*

# reconciling an account

## ITEMS OUTSTANDING

NUMBER	AMOUNT	
<b>TOTAL</b>		

**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 checks and withdrawals -\$ 36.31

**calculate the ending balance**

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

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

1. What is the new balance shown on the statement?  
\$103.69
2. What is the total amount of deposits listed in the check register but not shown on the statement?  
\$253.17
3. What is the sum of the new balance and the deposits not shown on the statement?  
\$356.86
4. What is the total amount of outstanding checks and withdrawals?  
\$36.31
5. What is the ending balance?  
\$320.55



## 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 checking account requires completing a signature card.
3. t A blank endorsement allows anyone to cash a check.
4. t A “smart card” stores a person’s bank balance right on the plastic card.
5. f An outstanding check 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.** check  
**B.** deposit slip  
**C.** signature card  
**D.** withdrawal slip
8. A 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. 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 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? *Tracy should start by analyzing her financial services habits. For example, if she uses an ATM often, the fees could be high. Or, if her checking account goes low she may have to pay a monthly fee or other charges for overdrawn accounts. If her fees are still high after careful use of banking services, she should compare the costs at other banks or a credit union and consider moving her account.*