This course in banking intends to give students an insight into the personal and business services that banks provide. It includes instruction on savings and checking accounts, loans, trusts, and safety deposit facilities. Also included are the performance objectives, five pages of an outline on course content, suggested teaching and learning procedures, and five pages of resource materials for teacher and students. The appendix includes a glossary of banking terms, a bank reconciliation test, vocabulary test, bank principles test, and a suggested checkbook problem lesson. (BP)
BANKING SERVICES

7713.15 (New: 7636.15)

Business Education

Written by Alice Griffee
And Approved by the Business Education Steering Committee
For Quimsater Courses

for the

DIVISION OF INSTRUCTION
Dade County Public Schools
Miami, FL 33132
1972
DADE COUNTY SCHOOL BOARD

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I. COURSE TITLE—BANKING SERVICES

II. COURSE NUMBER—7713.15 (New: 7636.15)

III. COURSE DESCRIPTION.

A. Synopsis
A course that gives students an insight into the personal and business services that banks provide. The course includes savings and checking accounts, loans, trusts, and safety deposit facilities.

B. Occupational Relationships
General office clerk
Secretary
Accountant
Financial consultant
Loan officer
Bank clerk
Bank teller
Investment broker

C. Textbook
Any of the general business textbooks listed under "Resources for Students" may be used in class sets. The textbook must be supplemented with pamphlets and booklets, which are also listed under "Resources for Students." It is not necessary to issue a textbook for this course; ample learning material is readily available, and the text may be used as a resource.

IV. COURSE ENROLLMENT GUIDELINES

A. Prior Experiences Needed
It is recommended but not required that the student attain the objectives of Money and Banking prior to enrollment in this course.

B. Pretest
The pretest should follow the objectives of the course and be used as a guideline for placement within the course. Some students with a stronger background or aptitude could do individual research into the intricacies of banking services as well as developing the skills required to meet the course objectives.

V. COURSE OF STUDY PERFORMANCE OBJECTIVES

A. Upon successful completion of this course, the student will be able to—

1. demonstrate an awareness of the function of banking in today's business world by writing a short report or orally giving a report;

2. demonstrate an understanding of the fact that banks, while serving the public, are in business to earn a profit by listing the ways that banks derive income;
V. COURSE OF STUDY PERFORMANCE OBJECTIVES, Continued

3. compare various kinds of banks and the services they provide by compiling a list of services offered by each;

4. demonstrate an awareness of bank regulation by writing the ways in which a bank is regulated by state and federal governments;

5. demonstrate an understanding of the organization and purpose of the Federal Reserve System and the Federal Deposit Insurance Corporation by writing an explanation describing the need for each;

6. fill out the following bank forms properly with 100% accuracy:
   a. signature card for a savings account
   b. signature card for a checking account
   c. deposit slip and withdrawal slip for a savings account
   d. deposit slip for a checking account
   e. check stub
   f. check
   g. check endorsements (blank, restrictive, full)
   h. traveler's check
   i. loan application;

7. reconcile a bank statement and determine the amount of cash available for future use;

8. compute simple and compound interest when given rate, time, and amount;

9. compute bank discounts and repayment time on given promissory notes;

10. determine due dates when given beginning date and time;

11. compute true interest rate on time payment loans; and

12. match a list of banking terms with given definitions.

VI. COURSE CONTENT

A. Equipment and Supplies
1. Textbooks and pamphlets
2. Blank forms of banking services (either teacher-made, from workbooks, or from neighborhood banks)
   a. signature cards
   b. deposit and withdrawal slips for savings accounts
   c. deposit slips for checking accounts
   d. check stubs
   e. checks
   f. sets of checks with attached stubs
   g. reconciliation forms
   h. loan application forms
VI. COURSE CONTENT, Continued

3. Transparencies and overhead projector with screen
4. Movie and filmstrip projectors

B. Study of Banking as a Business

1. Brief history of banking in America
2. Banks organized for different business services:
   a. Community banks
   b. Commercial banks
   c. Trust companies
   d. Industrial banks
   e. Export-import banks
   f. Federal Reserve Banks
   g. World Bank
   h. Savings banks

3. A bank as a business firm
   a. Organization
      i. Charter
      ii. Capital
      iii. Stock issuance
      iv. Board of directors
      v. Regulatory agencies
      vi. Personnel
   b. Expenses and profits for banks

C. Bank Services

1. Deposits
   a. Who may make deposits
      i. Savings accounts
      ii. Checking accounts
   b. Who may not make deposits

2. Checking accounts
   a. Opening an account
      i. Signature card
      ii. Initial deposit
      iii. Service charges explained
      iv. Advantages of using a checking account
   b. Using a checking account
      i. Arithmetic of check stub
      ii. Filling out the check and its stub
      iii. Identification numbers on a check
      iv. How a check is transferred
         a. blank endorsement
         b. endorsement in full
         c. restrictive endorsement
      v. How a check is cleared and cancelled
      vi. Cautions of illegalities
         a. Raising
         b. Forgery
         c. Insufficient funds—protest fees
      vii. Stopping payment on checks
VI. COURSE CONTENT, Continued

c. Reconciliation of account
   (1) Outstanding checks
   (2) Service charges
   (3) Available bank funds after reconciliation

3. Savings accounts
   a. Passbook
   b. Regular savings account
      (1) Filling out deposit slips
      (2) Filling out withdrawal slips
      (3) Entering interest credits
      (4) Computation of compound interest
      (5) How savings grow—use of savings table
      (6) Insured savings
         (a) Maximum amount of account
         (b) Multiple accounts
         (c) Insurance compared with that offered by savings and loan associations
   c. Time certificates
   d. Christmas clubs

4. Various forms of payment (negotiable instruments)
   a. Certified checks
   b. Cashier's checks
   c. Bank drafts
   d. Bank money orders
   e. Express money orders
   f. Traveler's checks
   g. Personal checks
   h. Letter of credit

5. Loans
   a. Commercial lending
      (1) Loans to individuals
         (a) Collateral loans
         (b) Signature loans
         (c) Commodity loans
      (2) Promissory notes
         (a) Who may borrow
         (b) Procedure for filling out loan application
         (c) Interest payment
         (d) Discounted note
         (e) Maturity date
         (f) Rate
   b. Consumer financing
      (1) Time payment contract
      (2) Collateral
      (3) Interest charges
      (4) Required insurance on loans
         (a) Accident insurance (automobiles)
         (b) Life insurance on borrower
      (5) Bank repossessions
VI. COURSE CONTENT, Continued

c. Real estate mortgage financing
   (1) Appraisal service
   (2) Qualifying for a home loan
   (3) Costs involved with such a loan
   (4) Repayment of home loan
      (a) Amortization schedules
      (b) Total cost of home due to interest
      (c) Prepayment clause in loan contract
   (5) F.H.A. insured bank loan

d. Federal aid through banks for development of small businesses
   (1) Who can qualify for such a bank loan
   (2) Repayment and interest on small business loans

e. Educational loans
   (1) Who can qualify for such a loan
   (2) Repayment of educational loans

f. Loans against a depositor's own savings account
   (1) Produces a loan at a lower interest rate
   (2) Procedure for taking out such a loan

6. Government and Municipal bonds sold and redeemed
   a. Bond (defined)
   b. Interest rate—increases in indirect proportion with time
      of redemption. Comparison of Series E and Series H
   c. Procedure of buying and redeeming
   d. Advantages and disadvantages of bonds as means of saving
      money

7. Trusts
   a. Investment of money
   b. Collect rent, supervise upkeep of property
   c. Guardians of money of minor children
   d. Help in budgeting and investing an individual's finances

3. International department
   a. Currency exchange
   b. Transfer of foreign funds
   c. International credit

9. Safety deposit boxes
   a. Procedure for renting
   b. Procedure for putting articles in or taking articles out
   c. Privacy and safety

D. A Bank's Place in a Business Community
1. Banks raise the standard of living in a community and supply
   business capital
   a. Help build homes
   b. Start new businesses
   c. Help farmers finance business
   d. Finance children's education
   e. Help communities pave streets, construct hospitals, erect
      public buildings, build parks, etc.
   f. Provide time payment loans for household purchases, automobile, etc.
VI. COURSE CONTENT, Continued

2. Federal Deposit Banks supply necessary capital to communities
3. Help keep economy of community stable by adjustment of
interest rates (through Federal Reserve Bank)

E. Coins and Paper Money
1. Authorization for minting or printing
2. Location and method of production
3. Distribution by banks
   a. Redemption of worn out money
   b. New money put into circulation
   c. Counterfeit money

F. Federal Reserve System
1. Organization of the Federal Reserve System
   a. Need of such a system—brief history
   b. Organization of system, districts, branch banks
   c. What banks belong—how this affects the consumer
2. Services of Federal Reserve Banks
3. Issuance of Federal Reserve Notes and how it affects the consumer
4. Federal Deposit Insurance Corporation

VII. SUGGESTED PROCEDURES, STRATEGIES AND LEARNING ACTIVITIES

A. Suggested Teaching Methods

The goals of a study of banking services differ in the complexity
and difficulty of attainment, depending on the level of maturity
of the students. The skills of using the commercial forms such
as deposit slips, checks, and cards can be mastered easily at
the junior high school level. An understanding of the intricacies
of money transfers, credit transfers between banks, community-
government credit services performed by banks and the Federal
Reserve System can best, and perhaps only, be taught at the
senior high school or higher level. A brief history of banking
and the Federal Reserve System can be comprehended quite well
by the junior high school student. A variety of activities should
be used in presenting the content of this course. Select those
suggested activities that you feel may be beneficial and
interesting to your students.

B. Simulation Experiences

1. Checking account
   The students may practice having their own checking accounts.
   Signature cards, deposit slips, and checks may be obtained
   or prepared by the teacher or students. The students may then
   work problems which include writing checks, preparing deposit
tickets, and reconciling bank statements.
VII. SUGGESTED PROCEDURES, STRATEGIES AND LEARNING ACTIVITIES, Continued

2. Savings account
   The teacher may ask the principal's help in determining the
   legality and feasibility of establishing a short-term in-
   school savings fund or of inviting a local financial
   institution to offer a savings program to students. The
   students may make a list of the materials needed for such a
   project; e.g., signature cards, deposit slips, withdrawal
   slips, bank books, and ledger cards. They may establish
   some rules and regulations in order to operate their bank.
   After all the necessary forms are available and rules
   established, the class may decide on the type of employees
   that would be necessary to carry on the savings service
   (a teller to receive the deposit and a bookkeeper to record
   the money deposited). Two students could be selected by the
   class and the bank would be open for business. Possible
   rules for operation are listed below:
   a. Banking hours are from 9:25 to 9:45 a.m.
   b. The maximum deposit is $10.00.
   c. No money will be accepted without a passbook.
   d. Withdrawals will be only at the end of the course.
   e. No transfer of passbook or balance.
   f. If passbook is lost, notify the teller.
   g. All deposits are subjected to the terms printed in the
      passbook.
   h. No interest will be paid.

C. Local Resource Activities

1. Field trips
   The students may enjoy a field trip to a local bank in order
   to receive realistic exposure to banking services. A guide
   could provide supplementary information on the basic banking
   functions.

2. Bulletin boards and displays
   Bulletin boards and displays may be prepared by the students.
   Topics might include:
   a. Who uses a bank
   b. Bank services
   c. Bank forms
   d. Tracing a check from writer to cancellation and back to
      writer

3. Scrapbooks, folders, and notebooks
   Students may collect samples of deposit slips, signature
   cards, withdrawal slips, loan application forms, reconciliation
   worksheets, checks, and travelers checks. Additional infor-
   mation and articles may be taken from local newspapers or
   pamphlets provided by banks and their associations (in addition
   to those in Resources for Students).
VII. SUGGESTED PROCEDURES, STRATEGIES AND LEARNING ACTIVITIES, Continued

4. Local bank information list
   The students might be interested in studying the banks in the immediate area or within the city limits. The following information could be secured about each bank:
   a. Is it a commercial bank, or has it been organized for a special purpose?
   b. Is it a state or national bank?
   c. Does it belong to the Federal Reserve System?
   d. Are deposits guaranteed by the Federal Deposit Insurance Corporation or by some other agency? What is the name of the agency?
   e. Does it provide any special services for its customers?

5. Guest speaker
   Invite a guest speaker from a local bank. He could speak on job opportunities in banking, or banking services (see Resources for Teachers).

D. Textbook Activities

1. Reading from the general business texts
   The textbooks for general business contain extensive units on banking services consisting of four to six chapters. A textbook may serve as one of the primary sources since it contains detailed explanations, examples, and illustrations.

2. Writing answers to unit questions
   Students will find a valuable study guide in the questions that follow the order of the text. Teachers will find the questions a valuable means of determining comprehension.

3. Completing workbook activities
   Workbooks are available for units on banking services (see Resources for Students). They may be very helpful when used in independent study as the directions are clear and concise.

4. Developing vocabulary
   The textbooks and the appendix of this quarter of study contain vocabulary lists that assist in building an understanding of the language of business. The vocabulary exercises located at the end of each chapter help students master the important terms that are defined in the text.

5. Discussing Topics
   Students enjoy sharing their personal experiences with others. Credit cards, bank forms, travelers checks, credit applications, magnetic ink characters, safety deposit boxes, and the financing of homes or automobiles are topics that may generate discussion. Students develop the ability to communicate with others and learn how to argue constructively.
E. Problem Solving

1. Reconciling a bank statement
Reconciliation problems provide realistic experience for developing a skill which is necessary for anyone who has or will have a checking account in the future. The problems make the students aware of bank service charges, outstanding checks, and outstanding deposits.

2. Computing interest, rate, maturity date
The students may become acquainted with the various types of interest, bank discount, and rates used in banking today. Problems may include: finding a percentage of an amount; finding principal, given rate, time, and interest; finding rate, given principal, time, and interest; finding true rate of interest for time payment loans; using shortcuts in finding percentage and determining maturity dates, given beginning date and time.

3. Financing an automobile
A problem involving the financing of an automobile may be used because this may be the first large purchase a high school student plans to make. Such things as the amount of money financed, payment period, rate, amount of note, monthly payments, and required insurance would be of interest.

4. Using graphs
   a. Circle graphs may show sources of income of banks, items of expense of a bank, percent in 1935 and 1971, types of savings in which individuals save money, etc.
   b. Bar graphs may be used to compare values for: percent of students in each grade having savings accounts, total assets in various banks, percent of available loan money used for various types of loans, etc.
   c. Broken line graphs may show trends in banking, bank deposits, decreases in bank failures since 1935, increases in bank hold-ups and burglaries since 1940, changes in number of services and types of services, changes in number of banks and types of banks, etc.

F. Supplementary Activities

1. Films and filmstrips
Many films and filmstrips are available on banking services (see Resources for Students). This provides a variety in the presentation which is very helpful in stimulating interest. If listening stations are available, these media may be used for individualized study.
VII. SUGGESTED PROCEDURES, STRATEGIES AND LEARNING ACTIVITIES, Continued

2. Pamphlets
Pamphlets are available that give information on individual topics relating to banking (see Resources for Students).

3. Written and oral reports
Reports may be given to students who wish to do an in-depth study of a particular area of banking which interests them.

4. Learning activity packages
Many excellent activities are listed in the learning activity packages, Expressway to Success in Everyday Living—banking series, that were prepared by Dade County Public Schools. (See Resources for Students.)

VIII. EVALUATIVE INSTRUMENTS

A. Pretest
No prerequisites are necessary for this course. In order to present meaningful learning experiences, it would be helpful to the teacher if he assessed each student's comprehension of banking services.

A pretest may be constructed which will measure the course of study performance objectives in Section V.

B. Interim Tests
During this quinmester course the teacher may wish to evaluate the students' performance by means of short unit tests. Banking services, banking functions, federal reserve system, the checking account, loan procedures, and bank organization are just a few of the many topics you may wish to evaluate. Commercially prepared tests, teacher prepared tests, and content quizzes following a field trip, speaker, student report, film or filmstrip aid greatly in the evaluation of the objectives of the course. The teacher should reinforce those concepts that have not been successfully mastered by channeling those students through activities that may increase student progress.

C. Final Evaluation
A posttest may be developed by the teacher which covers the course content and effectively measures the course of study performance objectives in Section V.
IX. RESOURCES FOR STUDENTS

A. Textbooks


B. Other Books


C. Pamphlets and Booklets

Bank Services for You, American Bankers Association, 12 E. 16th Street, New York, NY 10016.


IX. RESOURCES FOR STUDENTS, Continued

C. Pamphlets and Booklets, Continued

How Our Bank Helps Our City, Manufacturers Hanover Trust Co.,
Public Relations Department, 350 Park Avenue, New York,
NY 10022.

Keeping Your Money Healthy, Federal Reserve Bank of New York,
Federal Reserve P. O. Station, New York, NY 10045.

Know Your Money, United States Secret Service, Treasury Depart-
ment, Washington, D. C. 20220.

Many Pennies, Golden Press, New York, available from Benjamin
Co., 600 Fifth Avenue, New York. (15¢ per copy)

Money and Economics, Federal Reserve Bank of New York, Federal
Reserve P. O. Station, New York, NY 10045.

School Saver, Advertising Department, American Bankers
Association, 90 Park Avenue, New York.

Simon and His Family Bank, New York State Bankers Association,

Vinny and Billy—The Boys with a Piggy Bank, Banking Education
Committee, American Bankers Association, 90 Park Avenue,

Your Banks and What They Mean to You, Advertising Department,
American Bankers Association, 12 E. 15 Street, New York, NY
10016.

Your Commercial Banks, Advertising Department, American Bankers
Association, 12 East 16th Street, New York, NY 10016.

Your Insured Deposits, Federal Deposit Insurance Corporation,
Washington, D. C. 10022.

Your Money and The Federal Reserve System, Federal Reserve Bank
of Minneapolis, 75 South Fifth Street, Minneapolis, MN 55440.

D. Films

From Instructional Materials Catalog, Dade County Public Schools,
Miami, Florida:

Banks and Credit, 10 minutes BW Stereo ED$ 1-00390

Banks for Bankers: The Federal Reserve System, (No. 29),
29 minutes BW MPL 1-31261
IX. RESOURCES FOR STUDENTS, Continued

D. Films, Continued

Federal Reserve Bank and You, 30 minutes BW Federal Reserve Board, Atlanta 1-31161

Federal Reserve System, 20 minutes JSEBEC 1-10183

Money in the Bank and Out, 15 minutes, CPE. Churchill. 1-10185

Money on the Move, 28 minutes, C JS, Federal Reserve Bank. 1-131173

Story of Money, 28 minutes, C JS, Federal Reserve Bank. 1-0399

E. Filmstrips

Accepting Deposits and Cashing Checks, each 12-15 minutes, C, 33 1/3 records. The first filmstrip reviews accepting deposits, validating items, and keeping accurate records of all transactions. The second filmstrip outlines check cashing, verifying endorsements and signatures. Lease of each: $7.50 plus return postage; purchase of each, $60. Bank Administration Institute, 303 South Northwest Highway, P. O. Box 500, Park Ridge, IL 60068.

Money and Banking, JS, 35 FR., no sound, Code 643100; $8.50; McGraw-Hill Films, 330 West 42 Street, New York, NY 10036.

You and Your Community Bank (a program with working sheets), sound-color; Educational Media Systems, Inc., 2479 Peachtree Rd. N. E., Suite 1801, Atlanta, GA 30305, 1970.

F. Learning Activity Packages and Projects


Expressway to Success in Everyday Living, a series of learning activity packages available from Textbook Services, 2210 S. W. Third Street, Miami. The following packages may be used in this course:

#11J-LP-10 Banks in Your Community
#11J-LP-11 Bank Accounts
#11J-LP-12 Special Security Services
#11J-LP-13 How to Borrow
X. RESOURCES FOR TEACHERS

A. Manuals

Teachers manuals are available from publishers for the textbooks listed in Resources for Students section of the outline.

B. Periodicals


C. Transparency

**Truth in Lending.** Designed to help understanding of the major provisions of the Truth-in-Lending law and how they will affect users of consumer credit. Covers open end credit, credit other than open end, finance charge, annual percentage rate, installment loans, loan-cost comparison, consolidation loans, advertising controls. Visual Products Division, 3M Company, 3M Center, St. Paul, MN 55101. #15-3546-7; $35.

D. Bulletin Boards

**Bulletin Board Ideas for Business Classes, 1966.** (Also 1965 and 1967 supplements; also Bulletin Board Ideas for Bookkeeping, 1967) Delta Pi Epsilon. $1.50 each plus 50¢ handling charge per order. Order from Dr. Ramon P. Heimerl, School of Business, University of Northern Colorado, Greeley, CO 80631.

E. Handbooks

X. RESOURCES FOR TEACHERS, Continued

F. Learning Activity Packages

*Expressway to Success in Everyday Living, Teacher's Guide.*
Textbook Services, 2210 S. W. Third Street, Miami.
GLOSSARY OF BANKING TERMS

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</tr>
<tr>
<td>FDIC</td>
<td>travelers checks</td>
</tr>
<tr>
<td>federal reserve bank</td>
<td>trust company</td>
</tr>
<tr>
<td>financial statement</td>
<td>trust fund</td>
</tr>
<tr>
<td>fiscal</td>
<td>vault</td>
</tr>
<tr>
<td>forgery</td>
<td>void</td>
</tr>
<tr>
<td>foreign exchange</td>
<td>withdrawal</td>
</tr>
<tr>
<td>instrument</td>
<td>with recourse</td>
</tr>
<tr>
<td></td>
<td>without recourse</td>
</tr>
</tbody>
</table>
Mr. and Mrs. J. C. Ames have a joint checking account. Their checkbook balance on April 30, was $626.89. During the month of April they made deposits and wrote checks as follows:

Mrs. Ames:

April 3 Check #51 $5.75
April 7 Check #52 18.50
April 8 Check #53 3.18
April 17 Check #54 9.45
April 19 Check #55 76.00
April 23 Check #56 1.07

Mr. Ames:

April 10 Check #27 $10.40
April 11 Deposit 185.00
April 15 Check #28 50.00
April 20 Check #29 80.75
April 24 Check #30 17.50
April 25 Deposit 185.40
April 30 Check #31 25.31

At the end of April the bank statement showed a balance of $750.32. There was a service charge of $1.20. The following checks were outstanding: 29, 30, 31, 56.

Directions: Bring the check stub balance up to date, and reconcile the bank statement in the space below.
SUGGESTED CHECKBOOK PROBLEM

On Sept. 1 Jerry Stiles had a balance of $362.81 in his checking account. During the month he wrote checks and made deposits as listed below.

Directions: Place the correct balance in the proper places after each deposit and check.

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>Amount</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 1</td>
<td>Balance</td>
<td>$362.81</td>
<td>$362.81</td>
</tr>
<tr>
<td>Sept. 2</td>
<td>Check #1, Hanes Shoes</td>
<td></td>
<td>$337.16</td>
</tr>
<tr>
<td>Sept. 5</td>
<td>Check #2, United Drug</td>
<td></td>
<td>$382.16</td>
</tr>
<tr>
<td>Sept. 8</td>
<td>Deposit</td>
<td>$196.00</td>
<td>$578.16</td>
</tr>
<tr>
<td>Sept. 12</td>
<td>Balance</td>
<td></td>
<td>$578.16</td>
</tr>
<tr>
<td>Sept. 15</td>
<td>Check #4, Ford Garage</td>
<td></td>
<td>$550.79</td>
</tr>
<tr>
<td>Sept. 16</td>
<td>Deposit</td>
<td>$196.00</td>
<td>$746.79</td>
</tr>
<tr>
<td>Sept. 16</td>
<td>Check #5, Sadie's Market</td>
<td></td>
<td>$746.79</td>
</tr>
<tr>
<td>Sept. 17</td>
<td>Check #6, Midwest Telephone Co.</td>
<td></td>
<td>$746.79</td>
</tr>
<tr>
<td>Sept. 17</td>
<td>Balance</td>
<td></td>
<td>$746.79</td>
</tr>
<tr>
<td>Sept. 17</td>
<td>Check #7, State Power and Light Co.</td>
<td></td>
<td>$746.79</td>
</tr>
<tr>
<td>Sept. 20</td>
<td>Check #8, University Playhouse</td>
<td></td>
<td>$746.79</td>
</tr>
<tr>
<td>Sept. 23</td>
<td>Deposit</td>
<td>$196.00</td>
<td>$942.79</td>
</tr>
<tr>
<td>Sept. 23</td>
<td>Balance</td>
<td></td>
<td>$942.79</td>
</tr>
</tbody>
</table>

19
Directions: Fill in the blanks with the proper word that describes each statement.

1. A bank account on which two people can write checks ____________

2. The charge a bank makes for people writing checks ____________

3. A report of the condition of a person's checking account usually sent out once a month by the bank ____________________________

4. A check that has been paid by the bank ____________________________

5. A comparison of the checkbook balance and the bank statement balance ____________________________

6. A check which has not been returned to the bank of the drawer for payment ____________________________

7. Money that is placed in a bank account by a customer ____________________________

8. A bank account upon which the bank pays interest ____________________________

9. A bank account against which a customer can write checks ____________________________

10. An order written by one person directing his bank to pay money to another person ____________________________

11. Money paid for the use of money ____________________________

12. A record of the deposits one has made and the checks he has written ____________________________

13. A bound book containing stubs and blank checks ____________________________

14. The person who signs a check ____________________________

15. The person to whom the check is made payable ____________________________

16. A check dated later than the date it is issued ____________________________

17. The writing that transfers ownership of a check ____________________________

18. A personal check that carries a bank's assurance that funds are on deposit to cover payment ____________________________

19. A place where banks exchange checks drawn on each other ____________________________

20. An organization that manages the money of others ____________________________
<table>
<thead>
<tr>
<th>bank draft</th>
<th>check protector</th>
<th>outstanding check</th>
</tr>
</thead>
<tbody>
<tr>
<td>bank reconciliation</td>
<td>check stub</td>
<td>payee</td>
</tr>
<tr>
<td>bank statement</td>
<td>clearinghouse</td>
<td>postal money order</td>
</tr>
<tr>
<td>canceled check</td>
<td>deposit</td>
<td>post-dated check</td>
</tr>
<tr>
<td>cashier's check</td>
<td>drawer</td>
<td>raised check</td>
</tr>
<tr>
<td>certified check</td>
<td>endorsement</td>
<td>savings account</td>
</tr>
<tr>
<td>check</td>
<td>interest</td>
<td>service charge</td>
</tr>
<tr>
<td>checkbook</td>
<td>joint account</td>
<td>stop payment on check</td>
</tr>
<tr>
<td>checking account</td>
<td>money</td>
<td>trust company</td>
</tr>
</tbody>
</table>
SUGGESTED BANK PRINCIPLES TEST

Directions: Write true in the space provided if you agree with the following statements. Write false if you disagree.

1. In the United States, money cannot be issued until some worn-out money is turned in._________

2. State and national banks are required by law to be members of the F.D.I.C. _______

3. Banks use depositors' money to lend to other customers._________

4. Federal reserve banks handle checking accounts for some individuals if their balance is always over $10,000._________

5. It is best to fill out the check stub before a check is written.____

6. If the amount written in figures does not agree with the amount written in words, a bank is required by law to refuse to cash it.____

7. It is unwise to sign a check with the amount left blank._________

8. A check can be written for an amount less than a dollar._________

9. If an error is made in writing a check, you may erase it and rewrite it if it is done neatly._________

10. Anyone who finds a check made payable to "Bearer" may cash it.____

11. A bank may open a safety deposit box any time to make sure there is no heroin in it._________

12. A canceled check is an excellent receipt._________

13. After reconciliation, the service charge should be added to the checkbook balance._________

14. An endorsement in full makes a check payable to anyone who might find the check._________

15. A check is a safe way to pay bills by mail._________

16. If a payee's name is misspelled, he must first endorse it as it is written and then endorse it a second time, using the correct spelling.____

17. Service charges are set by the Federal Reserve Bank for all of the banks in that district._________

18. It is legal for a businessman to use a rubber stamp to endorse a check for deposit._________
19. In certifying a check, a bank immediately deducts the amount of the check from the depositor's account. 

20. Banks charge a small fee for issuing Government Bonds Series E but do not charge a fee for issuing Government Bonds Series H.