Name _____ Date _____

Checking and Savings Accounts: Terms and Uses

Directions: Some questions use Devon's checking account record, while the others stand on their own. Type each amount as a plain number, leaving off the dollar sign.

1. Match each banking word with what it means for a checking or savings account.
Write the letter of the matching answer on each line.

1. _____ Deposit
2. _____ Withdrawal
3. _____ Balance
4. _____ Transfer

A. Shifting money between two accounts, such as savings to checking
B. Money a bank lends that must be repaid with interest
C. Money removed from an account, such as cash from an ATM
D. How much money an account holds right now
E. Money added to an account, such as cash or a paycheck

2. How does a basic savings account usually differ from a basic checking account at the same bank?

A. A savings account usually holds money set aside and pays more interest, while a checking account handles everyday spending.
B. A checking account usually pays more interest, so it is the typical place for money set aside.
C. A savings account usually includes paper checks for paying bills, while a checking account does not.
D. Money in a savings account cannot be withdrawn until the account is closed.

3. These terms often appear in a bank's account disclosures, so match each term with its meaning.
Write the letter of the matching answer on each line.

1. _____ Overdraft
2. _____ Monthly maintenance fee
3. _____ Minimum balance requirement
4. _____ Direct deposit

A. The smallest amount an account's rules say to keep in it, often to avoid a fee
B. Money such as a paycheck sent electronically straight into an account
C. Spending or withdrawing more money than the account currently holds
D. A charge some accounts bill every month simply for having the account
E. A charge for using an ATM owned by a different bank

4. When Devon pays for groceries with the debit card connected to his checking account, how is that different from paying with a credit card?

A. The debit card spends money already in his account, while a credit card borrows money he must repay.
B. The debit card borrows money he must repay, while a credit card spends money already in his account.
C. There is no difference, because both cards take the money directly from his checking account.
D. The debit card charges the purchase to his savings account, while a credit card takes it from checking.

5. What does deposit insurance protect at Devon's bank, which is insured by the FDIC, a federal government agency?

A. His spending money if he exceeds his monthly budget
B. His account balance from overdraft fees if he spends more than he has
C. The value of any stocks or mutual funds he purchases through the bank
D. The money in his checking and savings accounts if the bank fails, up to a limit set by law

Devon's Checking Account

Devon's checking account transactions for one week, beginning with a balance of $125.00. The bank charged him no fees during this week.

Day	Transaction	Amount (dollars)
Monday	Paycheck by direct deposit	340.00
Tuesday	Debit card purchase at a grocery store	62.50
Wednesday	Transfer from his savings account	100.00
Thursday	Cash withdrawal at an ATM	60.00
Friday	Online payment of his phone bill	45.00
Saturday	Debit card purchase at a gas station	38.50

6. Which two transactions in Devon's record added money to his checking account instead of taking money out?

☐ A. Cash withdrawal at an ATM
☐ B. Debit card purchase at a grocery store
☐ C. Online payment of his phone bill
☐ D. Transfer from his savings account
☐ E. Paycheck by direct deposit
☐ F. Debit card purchase at a gas station

7. Starting from the $125.00 he had at the beginning of the week, what is Devon's checking balance after all six transactions?

_____ dollars

8. After Wednesday's transfer moved $100 from Devon's savings account into his checking account without any fee, how had the combined total in his two accounts changed?

A. The combined total stayed the same, because the money only moved from one account to the other.
B. The combined total decreased by $100, because his savings balance decreased.
C. The combined total increased by $100, because his checking balance increased.

9. Later in the month, Devon's checking balance is down to $30 when he uses his debit card for a $45 purchase. His bank covers the purchase and charges an overdraft fee of $25. How many dollars below zero is his balance now?

_____ dollars

10. Devon's bank offers two checking accounts with example fees: Account A has a $10 monthly maintenance fee, which is waived in any month the balance stays at $500 or more the whole month, and it charges no ATM fees. Account B has no monthly fee but charges $3 for each ATM withdrawal. Since Devon's balance drops below $500 at some point every month and he makes 2 ATM withdrawals a month, which account would charge him less in fees each month?

A. The two accounts would charge him exactly the same amount
B. Account A, by $6 a month
C. Account B, by $10 a month
D. Account B, by $4 a month