

RETEACHING ♦ Checking Accounts**CH.7 REV PACKET**Follow these steps when you record all checks and deposits in a **check register**.

1. Write the *number* of each check (deposits do not have numbers).
2. Write the *date* on which you wrote the check or made the deposit.
3. Describe the *transaction*; write the name of the person to whom you wrote the check.

If a deposit was made:

Write the *amount* of the deposit in the *Deposit/Credit* column.

Add the amount of the deposit to the balance.

If a check was written:

Write the amount of the check in the *Payment/Debit* column.

Subtract the amount of the check from the balance.

Use the check register below to solve Exercises 1–4.
Remember to estimate whenever you use your calculator.

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT							
NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)	✓ T	FEE IF ANY (-)	DEPOSIT/CREDIT (+)	BALANCE
							\$ 679.09
877	11/20	Dr. Rickey Lee's Animal Clinic dog's vaccination	\$ 15 00		\$	\$	- 15.00 664.09
878	11/20	Mickey's Sports Store tennis equipment	42 00				- 42.00 622.09
879	11/21	Bay Electric Co. electric bill	87 42				- 87.42 534.67
880	11/21	Castle Records tapes and records	35 99				- 35.99 498.68
	11/22	Deposit				156 00	+ 156.00 654.68

1. What was the amount of the check written to Bay Electric Company? _____
2. What was the balance after the check to Castle Records was recorded? _____
3. What was the balance *before* 11/21? _____
4. What was the balance after 11/22? _____

Make up a check register for the checking account transactions. Find the new balance.

5. Old balance: \$485.86
Check: #177 to Valley Utilities for \$22.96 on April 8
Check: #178 to Flowers and Stems for \$18.40 on April 11
Deposit: \$160.00 on April 14
6. Old balance: \$682.77
Check: #104 to Dr. Isaac Drilling for \$85.00 on May 6
Deposit: \$105 on May 7
Check: #105 to Pet Emporium for \$16.95 on May 9
Check: #106 to The Sport Shop for \$88.70 on May 9
Check: #107 to Eastern Telephone for \$56.28 on May 10

RETEACHING ♦ Reconciling a Checking Account Statement

It is important to reconcile your check register with the monthly bank statement.

Adjust the bank statement as follows:

Adjust *downward* to account for *outstanding checks*.

Adjust *upward* to account for *outstanding deposits*.

Subtract from your register balance any *service charges* shown on the statement.

Use the bank statement and the check register below for Exercises 1–6.
Remember to estimate whenever you use your calculator.

CHECK NUMBER	DATE POSTED	AMOUNT	DESCRIPTION OF TRANSACTION	DATE	BALANCE
CHECKING ACCOUNT		2351760			
	9-22	395 00	LAST STATEMENT BALANCE	9-10	256 82
234	9-25	24 00	DEPOSIT	9-22	651 82
235	9-28	60 45	PERSONAL CHECK	9-25	627 82
* 237	10-02	46 00	PERSONAL CHECK	9-28	567 37
	10-02	6 25	PERSONAL CHECK	10-02	515 12
			SERVICE CHARGE		

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)	✓ T	FEE IF ANY (-)	DEPOSIT/CREDIT (+)	BALANCE
							\$ 256.82
	9/22	Deposit	\$		\$	\$ 395.00	395.00
							651.82
234	9/25	Major Electric	24 00				
235	9/28	The Body Shop	60 45				
236	10/1	Hank's Hardware	23 75				
237	10/2	College Stationery	46 00				

What is the:

- statement ending balance? _____
- check register balance? _____
- outstanding check number? _____
- amount of the outstanding check? _____
- service charge? _____
- actual reconciled statement balance? _____

Use the given information to reconcile the bank statement balance with the check register balance. Find the adjusted balance for each.

- Check register balance: \$425.40
Statement ending balance: \$525.56
Outstanding checks: \$82.79, \$21.62
Service charge: \$4.25

- Check register balance: \$639.07
Statement ending balance: \$558.82
Outstanding deposit: \$139.00
Outstanding checks: \$29.75, \$34.50
Service charge: \$5.50

RETEACHING ♦ Savings Accounts

The bank's computer enters each transaction that you make in your savings account passbook. You had a balance of \$826.54 on July 7. You deposited \$35.00 on July 9, withdrew \$240.00 on July 12, and had interest of \$2.79 posted on August 1. What is your new savings account balance?

THINK: Add deposits and interest to old balance.

Subtract withdrawals from old balance.

OLD BALANCE + DEPOSITS + INTEREST – WITHDRAWALS = NEW BALANCE

$$\begin{array}{ccccccc} \downarrow & & \downarrow & & \downarrow & & \downarrow \\ \$826.54 & + & \$35.00 & + & \$2.79 & - & \$240.00 & = & \$624.33 \end{array}$$

Your new balance is \$624.33. Estimate to check if your answer is reasonable.

Complete the table. Remember to estimate whenever you use your calculator.

Old balance	Transaction	New balance
\$95.06	Deposit: \$20.00	1.
\$216.28	Withdrawal: \$50.00	2.
\$487.35	Interest payment: \$8.06	3.
\$144.59	Deposit: \$75.50	4.
\$852.93	Withdrawal: \$200.00	5.
\$1,462.98	Deposit: \$500.00	6.

Complete the running balances for this savings account passbook.

Date	Deposit	Withdrawal	Interest	Balance
8/4				\$450.82
8/6	\$100.00			7.
8/7		\$35.00		8.
8/12		\$50.00		9.
8/13	\$205.50			10.
8/17	\$175.88			11.
8/21		\$100.00		12.
8/22	\$60.45			13.

RETEACHING ♦ Simple and Compound Interest

Felicia deposits \$1,000.00 in a savings account that pays 6% interest compounded semiannually (twice per y). How much will be in the account at the end of 4 y?

You can use a *compound interest table* to compute interest.

THINK: 2 periods per y → 8 periods in 4 y

Divide the annual percent of interest by the number of periods per year to obtain the percent of interest per period.

$$6\% \div 2 = 3\% \text{ interest per period}$$

1. *Locate* the intersection of 8 periods and 3% interest on the table on page 133 of your textbook.

$$\$1.00 \text{ at } 3\% \text{ for } 8 \text{ periods} \rightarrow \$1.2668$$

2. *Multiply* to find the new principal → $1,000 \times \$1.2668 = \$1,266.80$

At the end of 4 y, Felicia will have \$1,266.80 in her savings account.

Use the compound interest table on page 133 of your textbook to find each compounded value of \$1.00.

1. 2% for 6 periods _____
2. 4% for 3 periods _____
3. 1.5% for 12 periods _____
4. 3% for 24 periods _____
5. 2.5% for 8 periods _____
6. 3.5% for 9 periods _____

Use the table to find the new principal. Remember to estimate whenever you use your calculator.

Principal	Rate	Time	New principal
\$2,000	4% compounded semiannually	4 y	7.
\$3,000	6% compounded semiannually	5 y	8.
\$8,000	8% compounded quarterly	6 y	9.
\$4,500	6% compounded quarterly	4 y	10.
\$3,600	4% compounded semiannually	5 y	11.
\$12,000	10% compounded quarterly	5 y	12.
\$8,500	10% compounded semiannually	6 y	13.
\$9,600	8% compounded semiannually	7 y	14.

RETEACHING ♦ Using Credit Cards

Study this monthly credit card statement.

Your account number _____	Your name _____ Your address _____		SUPER CHARGE	Make check or money order payable to Super Charge . Payment must be made in U.S. dollars.			
Charges and payments made by this date are included on this Statement.	1/15/90	123 456 789 123	303.67	35.00			
	STATEMENT CLOSING DATE	ACCOUNT NUMBER	TOTAL NEW BALANCE	MINIMUM DUE THIS BILLING	AMOUNT ENCLOSED		
Return this portion of statement with payment. Our address on back must show in window of enclosed envelope.							
FOR QUESTIONS CONCERNING THIS STATEMENT SEE "INQUIRIES" ON REVERSE. DIRECT TELEPHONE INQUIRIES TO							
TRANSACTION OR	CREDIT LINE AVAILABLE		SUPER CHARGE ACCOUNT NUMBER	PURCHASES ADVANCES AND DEBITS, PAYMENTS AND CREDITS (-)	800-556-9964		
*POSTING DATE	TOTAL	1015.87	123 456 789 123	REFERENCE NUMBER			
12/20/89	RECORD CITY		14 95	876 541 642			
12/21/89	JANET'S BOUTIQUE		64 29	726 348 761			
12/21/89	THE JEAN STORE		36 70	923 456 781			
12/22/89	PAYMENT - THANK YOU		- 135 70	CR			
12/23/89	KIT'S TOYS		42 37	643 356 782			
Lost/Stolen cards: If you know or think your Super Charge card is lost or stolen, call us immediately at 1-800-555-8888							
HOW WE ARRIVE AT YOUR FINANCE CHARGE			MONTHLY PERIODIC RATE (%)	NOMINAL ANNUAL PERCENTAGE RATE			
PURCHASES			1.650	1.980			
ACCOUNT SUMMARY		PREVIOUS BALANCE	(-) PAYMENTS AND CREDITS	(+) PURCHASES ADVANCES AND DEBITS	(+) FINANCE CHARGE	(=) NEW BALANCE	PAYMENT DUE
TOTAL PURCHASES		458 85	135 70	158 31	2 67	484 13	35 00
ADVANCES							
TOTAL		458 85	135 70	158 31	2 67	484 13	35 00
*See reverse side for balance computation method and other important information.		STATEMENT CLOSING DATE	NO. BILLING CYCLE DAYS	PAYMENT DUE DATE	PAST DUE - PAY IMMEDIATELY		35 00
		1/15/90	31	2/17/90	MINIMUM DUE THIS BILLING		35 00

Practical Mathematics: Consumer Applications.

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Use the monthly credit card statement above to answer the following questions.

What is:

1. The account number? _____
2. The statement closing date? _____
3. The payment due date? _____
4. The credit limit? _____
5. The credit that is available? _____
6. The finance charge? _____
7. The Annual Percentage Rate (APR)? _____
8. The previous balance? _____
9. The new balance? _____
10. The total of new purchases? _____
11. Last month's payment? _____
12. The minimum payment due? _____