

BUILDING BETTER LIVES THROUGH FINANCIAL LITERACY

CHECKING ACCOUNT AND DEBIT CARD SIMULATION

STUDENT ASSESSMENT ANSWER KEY

INTRODUCTORY LEVEL

DIRECTIONS

Step One:

View Sally Smith's monthly transactions described below and complete all necessary transactions using the information on pages 3-10.

September 2 - Endorse Sally's September paycheck for \$154.01 from "Piggly Wiggly" with a blank endorsement and complete the deposit slip.

September 4 - Record a debit card transaction for \$15.78 at "Gas 'N' Go" for fuel in the check register.

September 6 - Write check #501 to "The Pizza Place" for pizza for \$9.50 and record in the check register.

September 10 - Write check #502 to "George's Fast Food" for food for \$3.99 and record in the check register.

September 13 - Record ATM transaction for \$20.00 cash in the check register.

September 15 - Record a debit card transaction at "Gas 'N' Go" for fuel for \$16.92 in the check register.

September 18 - Write check #503 for a video rental at "The Main Video" for \$5.00 and record in the check register.

September 23 - Endorse the birthday gift check for \$40.00 from Paula Smith with a restricted endorsement into bank account 123456789 and complete the deposit slip.

September 27 - Record a debit card transaction in the check register for dinner at "JR's Café" for \$12.50.

September 29 - Record a debit card transaction in the check register for purchasing food at "Super Mart" for \$14.75.

September 30 - Write check #504 for \$30.00 to "Student Activities" to pay for an activity ticket and record in the check register.

Step Two:

Reconcile Sally's September bank statement using her completed check register and information on page 9 and 10.

Step Three:

Answer all review questions on page 11 and 12.

Piggly Wiggly 93-456-9540 1234
 Main Street 45086244786
 Yourtown, MT 55555 **Date** September 2, 2006

Pay to the SALLY SMITH \$154.⁰¹

ONE HUNDRED FIFTY-FOUR AND 01/100 Dollars

Guardian Angel Banking
 423 South 15th
 Yourtown, MT 55555


Memo SEPTEMBER PAYCHECK *Piggly Wiggly*
0123456789 : 0987654321 : 1234

Piggly Wiggly **Pay Period 8/1/2006-8/31/2006**

Employee Smith, Sally	SSN 000-00-0000	Check # 1234	Check Amount \$154.01
Employee Address 500 Great Street Yourtown, MT 55555	Pay Type- Gross Pay	Deductions	Current Year-to-date
Hours Worked 30.00	\$180.00	Federal Withholding	\$7.50
Hourly Rate \$6.00		State Withholding	\$4.72
		Social Security	\$11.16
		Medicare	\$2.61
		Totals	\$25.99
			\$415.84

	DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE RESERVED FOR FINANCIAL INSTITUTION USE	X <i>Sally Smith</i>	Endorse Here
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Deposit Slip 93-456-9540

 **Sally Smith**
 500 Great Street
 Yourtown, MT 55555

Date September 2, 2006

Sally Smith DEPOSITS
SIGN HERE FOR CASH RECEIVED

Guardian Angel Banking
 423 South 15th
 Yourtown, MT 55555

0123456789 : 1234567890 "

	Dollars	Cents
CASH		
CHECKS LIST SINGLY		
Piggly Wiggly #1234	154	01
TOTAL FROM OTHER SIDE		
SUBTOTAL	154	01
* Less Cash Received		
NET DEPOSIT	\$154	01

DEBIT CARD RECEIPT

September 4, 2006

Gas 'N' Go
\$15.78

Thank You For Your Business!

Sally Smith 93-456-9540 501
500 Great Street
Yourtown, MS 55555

Date September 6, 2006

Pay to the The Pizza Place \$ 9.50

Nine and 50/100 Dollars

Guardian Angel Banking
423 South 15th
Yourtown, MS 55555

Memo Pizza *Sally Smith*

0123456789 : 1234567890 : 501

Sally Smith 93-456-9540 502
500 Great Street
Yourtown, MS 55555

Date September 10, 2006

Pay to the George's Fast Food \$ 3.99
Order Of _____

Three and 99/100 Dollars

Guardian Angel Banking
423 South 15th

Memo Food *Sally Smith*

0123456789 : 1234567890 : 502

ATM RECEIPT

September 13, 2006

**Machine Location: Guardian Angel Bank
423 South 15th
Yourtown, MT 55555**

**Cash Withdraw from Checking Account
\$20.00**

DEBIT CARD RECEIPT

September 15, 2006

**Gas 'N' Go
\$16.92**

Thank You For Your Business!

Sally Smith 93-456-9540 503
 500 Great Street
 Yourtown, MT 55555

Date September 18, 2006

Pay to the The Main Video \$ 5.⁰⁰
 Order Of _____

Five and no/100 _____ Dollars

Guardian Angel Banking
 423 South 15th

Memo Video Rental Sally Smith

0123456789 : 1234567890 : 503

Paula Smith
 700 Friendly Boulevard
 Yountown, NJ 55555

99-123-4789
 78945612377

5678

Date September 20, 2006

Pay to the Order of: **SALLY SMITH**

\$40.00

FORTY AND NO/100 Dollars

Guardian Angel Banking
 423 South 15th
 Yountown, NJ 55555

Memo **BIRTHDAY GIFT** *Paula Smith*

0123456789 : 1212121212 : 5678

Endorse Here

X

*For Deposit Only - Acct.
 # 123456789
 Sally Smith*

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
 RESERVED FOR FINANCIAL INSTITUTION USE

Deposit Slip

Sally Smith
 500 Great Street
 Yountown, NJ 55555

93-456-9540
 45086244786

Date September 23, 2006

Sally Smith
 SIGN HERE FOR CASH RECEIVED

Guardian Angel Banking
 423 South 15th
 Yountown, NJ 55555

0123456789 : 1234567890 "

	Dollars	Cents
CASH		
CHECKS LIST SINGLY		
Paula Smith #5678	40	00
TOTAL FROM OTHER SIDE		
SUBTOTAL	40	00
* Less Cash Received		
NET DEPOSIT	\$40	00

DEBIT CARD RECEIPT

September 27, 2006

JR's Cafe
\$12.50

Thank You For Your Business!

DEBIT CARD RECEIPT

September 19, 2006

Super Mart
\$14.75

Thank You For Your Business!

Sally Smith 93-456-9540 504
 500 Great Street
 Yourtown, MS 55555

Date September 30, 2006

Pay to the Student Activities \$ 30.00
 Order Of _____

Thirty and no/100 _____ Dollars

Guardian Angel Banking
 423 South 15th

Memo Activity Ticket Sally Smith

0123456789 : 1234567890 : 504

GUARDIAN ANGEL BANKING
423 SOUTH 15TH
YOURTOWN, MT 55555



STATEMENT FOR:
SALLY SMITH
500 GREAT STREET
YOURTOWN, MT 55555

THIS STATEMENT COVERS: 9/1/06 THROUGH 9/30/06

CHECKING	Opening Account Balance on 8/31	\$100.00
ACCOUNT	Total Deposits	\$194.01 +
#1234567890	Total Withdrawals	\$ 83.69 -
	New Balance	\$ 210.32

DEPOSITS AND OTHER CREDITS	<u>Date Posted</u>	<u>Transaction</u>	<u>Amount</u>
	9/3	Deposit at South 15th Branch	\$154.01
	9/25	Deposit at South 15th Branch	\$ 40.00
	Total Deposits		\$194.01

WITHDRAWALS	<u>Date Posted</u>	<u>Check #</u>	<u>Amount</u>
	9/5 Debit Card	Gas 'N' Go	\$ 15.78
	9/9	501	\$ 9.50
	9/11	502	\$ 3.99
	9/14 ATM	Cash	\$ 20.00
	9/16 Debit Card	Gas 'N' Go	\$ 16.92
	9/19	503	\$ 5.00
	9/28 Debit Card	JR's Café	\$ 12.50
	Total Withdrawals		\$ 83.69

RECONCILING A CHECKING ACCOUNT

Withdrawals Outstanding		
Number	Amount	
DC	14	75
504	30	00
Total	44	75

Deposits Outstanding		
Date	Amount	
Total	0	00

ENTER	
Bank Statement Balance	\$ <u style="color: green;">210.32</u>
ADD (+)	
Outstanding Deposits	\$ <u style="color: green;">0.00</u>
SUBTOTAL (=)	\$ <u style="color: green;">210.32</u>
SUBTRACT (-)	
Outstanding Withdrawals	\$ <u style="color: green;">44.75</u>
CALCULATE (=)	
Total should be the same as the checkbook register	\$ <u style="color: green;">165.57</u>

REVIEW QUESTIONS

1. Describe what is written on the back of a deposit slip.

Checks to be deposited. Checks are listed with the check number and the individual's name whom the check is from. Calculate the total of all checks listed on the back, write in the total row and transfer the total amount to the front side of the deposit slip.



2. When signing a check, why should an individual sign his/her name in cursive writing?

A signature in cursive writing is more difficult to copy. This helps protect the account holder from others fraudulently copying their signature to write checks out of their checking account.



3. Why is it important to record all transactions in the check register?

In order to keep an accurate record of money spent and deposited, all transactions including deposits, checks, ATM/debit card transactions, and additional bank fees need to be recorded immediately after the transaction is complete.



4. Why would transactions completed on the last day of the month be "outstanding" on the bank statement?

Transactions may occur between the time the bank statements were prepared, mailed and delivered to the account holder.



5. What is the most difficult step in reconciling a checking account?

Answers will vary.

