

Lesson 3.1 Checking Accounts

Exercises

1. Conrad and Maureen Clay have these items to deposit on October 24: (bills) \$36; (coins) \$12.50; (checks) \$768.14, \$25, \$2.40. No cash was received. Complete the Clay's deposit slip.

For deposit to the account of			
CONRAD AND MAUREEN CLAY			
Date <u>October 24, 20</u>			
RIVERSIDE NATIONAL BANK			
ST. LOUIS, MO			
Subject to the terms and conditions of the Bank's Collection Agreement			
⑆02810 0735⑆ 13 61502			
Cash including coins	48	50	
Checks	768	14	
	25	00	
Check or Total From Other Side	2	40	
SUB TOTAL			
Less Cash Received			
TOTAL DEPOSIT	\$ 844	04	

2. Celine Coulter has this deposit to make on January 8: (coins) 60 quarters, 150 pennies; (checks) \$582.13, \$76.21. She wants cash back of \$120. Complete Celine's deposit slip.

For deposit to the account of			
CELINE COULTER			
Date <u>January 8, 20</u>			
Edgmont Bank and Trust Company			
St. Louis, MO			
Subject to the terms and conditions of the Bank's Collection Agreement			
⑆02810 06219⑆ 15 98632			
Cash including coins	16	50	
Checks	582	13	
	76	21	
Check or Total From Other Side			
SUB TOTAL	674	84	
Less Cash Received	120	00	
TOTAL DEPOSIT	\$554	84	

3. Universal Sports' bank deposit includes these items: (bills) 10 hundreds, 18 fifties, 90 twenties, 40 tens; (checks) \$19.20, \$562.78, \$125.04. Universal wants cash back of 6 rolls of pennies (50 pennies to a roll), 8 rolls of nickels (40 nickels to a roll), 5 rolls of dimes (50 dimes to a roll), 4 rolls of quarters (40 quarters to a roll), and 100 one-dollar bills. Complete Universal's deposit slip.

For deposit to the account of			
Universal Sports			
Date <u>April 12, 20</u>			
Edgmont Bank and Trust Company			
St. Louis, MO			
Subject to the terms and conditions of the Bank's Collection Agreement			
⑆02810 06219⑆ 18 98714			
Cash including coins	4100	00	
Checks	19	20	
	562	78	
Check or Total From Other Side	125	04	
SUB TOTAL	4807	02	
Less Cash Received	184	00	
TOTAL DEPOSIT	\$4623	02	

3.1

7-13 + 16 + 3 dep tickets

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Lesson 3.2 *Electronic Banking*

Exercises

1. On Sunday, Hattie St. Aubin used an ATM to deposit a check for \$613.15 and to withdraw \$125 in cash for shopping. If her starting bank balance was \$211.76, what is her new balance after these transactions are processed?

\$699.91

$$\mathbf{\$211.76 + \$613.15 - \$125 = \$699.91 \text{ balance}}$$

2. Stephen Awrey used a debit card to pay for the following three purchases: groceries, \$91.34; auto parts, \$18.50; scanner, \$196.18. If Stephen's bank balance was \$432.78 at the start of the day, what is his new balance?

\$126.76

$$\mathbf{\$432.78 - (\$91.34 + \$18.50 + \$196.18) = \$126.76 \text{ balance}}$$

3. On Wednesday morning, Russell Hobart deposited a tax refund check for \$127.56 in his bank's ATM and also withdrew \$80 cash from the ATM. He then used his debit card to make these purchases: books, \$38.24; set of dishes, \$148.09; concert tickets, \$76.50. If his starting bank balance was \$891.58, what is his new balance?

\$676.31

$$\mathbf{\$891.58 + \$127.56 - \$80 - \$38.24 - \$148.09 - \$76.50 = \$676.31 \text{ balance}}$$

4. Rosaria Shearer started the day with a bank balance of \$1,011.86. She used an ATM to deposit a check for \$136 and withdrew \$140 in cash. She made these purchases with a debit card: kitchen table and chairs, \$643.24; unfinished bookcase, \$98.45; greeting cards, \$12.50. What is the balance in Rosaria's bank account when the transactions are processed?

\$253.67

$$\mathbf{\$1,011.86 + \$136 - \$140 - \$643.24 - \$98.45 - \$12.50 = \$253.67 \text{ balance}}$$

5. Gunther Flieghe had a bank balance of \$782.23 on Monday. On Tuesday, he made debit purchases for \$128.39, \$29.32, and \$78.92. On Wednesday, he used his bank's ATM to withdraw \$100 cash. A direct deposit of Gunther's paycheck for \$611.45 was made at noon on Friday. On Friday evening Gunther used his debit card to pay a restaurant bill of \$32.43. What was Gunther's bank balance after these transactions were posted?

\$1,024.62

$$\mathbf{\$782.23 - \$128.39 - \$29.32 - \$78.92 - \$100 + \$611.45 - \$32.43 = \$1,024.62 \text{ balance}}$$

Lesson 3.3 Online Banking

Exercises

1. Oswald Prost's online accounts had these balances on Sunday, October 2: checking, \$214.06; savings, \$872.83. On Monday, October 3, Oswald made an ATM withdrawal of \$60 from his checking account. He plans to make these online payments on Tuesday, October 4: rent, \$460; telephone bill, \$38.12; charge account bill, \$316.81. How much money must Oswald transfer from savings to checking on Tuesday to make the EFT payments and leave a minimum of \$120 in the checking account?

\$780.87

**$\$214.06 - \$60 = \$154.06$ Monday $\$460 + \$38.12 + \$316.81 = \814.93 Tuesday's payments
 $\$814.93 - \$154.06 + \$120 = \780.87 amount to be transferred**

2. Rosalie Cambron had online accounts that showed a balance of \$116.71 in checking and \$982.56 in savings on Tuesday, January 12. A direct deposit of her weekly pay of \$789.43 was made on Wednesday, January 13 to her checking account. On her way home from work Rosalie used an ATM to withdraw \$40 from checking. She wants to make these online payments on Wednesday evening: car loan, \$360.18; electric bill, \$47.02; property taxes, \$954.56. What amount must Rosalie transfer to her checking account from savings on Wednesday to make the payments and leave a minimum of \$50 in checking?

\$545.62

**$\$116.71 + \$789.43 - \$40 = \866.14 Wednesday balance before online payments
 **$\$360.18 + \$47.02 + \$954.56 = \$1,361.76$ Wednesday's scheduled online payments
 $\$1,361.76 - \$866.14 + \$50 = \545.62 amount to be transferred****

3. The online bank accounts of Harvey Baird had these balances on Monday: checking, \$82.18; savings, \$521.64. Harvey expects to have these EFT transactions over the next five days: online payment of auto insurance of \$484.90 on Wednesday; direct deposit of a \$514.92 paycheck to checking on Friday; ATM withdrawal of \$100 from checking on Saturday; online payment of \$35.15 on Saturday for cable service. Harvey wants to maintain a minimum balance of \$75 in checking at all times and will transfer money from savings to checking whenever necessary.

- a. On which day(s) must Harvey transfer money from savings to checking, and in what amount(s)?
 b. What will be the balance of his checking account on Saturday after all transactions are processed?

Wednesday, \$477.72; \$454.77

a. **$\$484.90 - \$82.18 = \$402.72$ amount checking will be short
 **$\$402.72 + \$75 = \$477.72$ amount to be transferred to checking on Wednesday
 $\$75 =$ account balance at end of Wednesday****

b. **$\$75 + \$514.92 - \$100 - \$35.15 = \$454.77$ Saturday balance**

4. The balances in Jessica Tuttle's online accounts on Friday morning were checking, \$76.14, and savings, \$1,800.56. On Friday evening Jessica plans her EFT transactions through the weekend. The bills due on Friday that will be paid online include: home loan, \$761; charge account, \$112.87; water bill, \$76.18. Jessica plans to make a \$150 ATM withdrawal from checking on Saturday morning. a. What amount must Jessica transfer from savings to checking on Friday to cover these transactions so that she will have a minimum balance of \$70 in her checking account on Saturday afternoon? b. What will be the balance of the savings account after the transfer is made?

\$1,093.91; \$706.65

a. **$\$761 + \$112.87 + \$76.18 + \$150 = \$1,100.05$ EFT transactions**

b. **$\$1,100.05 - \$76.14 + \$70 = \$1,093.91$ transferred; $1,800.56 - \$1,093.91 = \706.65 balance**

Lesson 3.4 Check Register Reconciliation

Exercises

1. Olga Gleason's bank statement balance on March 31 was \$2,371.40. On the same date, her check register balance was \$1,732.39. The bank statement showed a service charge of \$8.30 and interest earned of \$1.12. The checkbook showed three outstanding checks: No. 988 for \$173.19, No. 990 for \$417.28, and No. 991 for \$55.72. Reconcile Olga's bank statement and check register.

Reconciliation Form			
Follow these steps:		Outstanding Checks	
Enter closing balance from statement	\$2,371.40	988	\$ 173.19
		990	417.28
Add any deposits outstanding	+	991	55.72
Add lines 1 and 2	\$2,371.40		
Enter total of outstanding checks	- \$646.19		
Subtract line 4 from 3. This amount should equal your check register balance.	\$1,725.21		
		Total	\$ 646.19

Check Register

Check No.	Date	Description of Transaction	Payment/Debit	Deposit/Credit	Balance
	3/31	Previous Balance			1,732 39
	3/31	Service charge	8 30		1,724 09
	3/31	Interest earned		1 12	1,725 21

2. Chikabumi Onodera's check register balance on September 30 was \$466.23. On the same date, the bank statement showed a balance of \$590.51. Included on the statement were three items not recorded in the check register: service charge of \$5.40, interest earned of \$0.68, and an ATM deposit for \$129. Reconcile Chikabumi's check register.

Check Register

Check No.	Date	Description of Transaction	Payment/Debit	Deposit/Credit	Balance
	9/30	Previous Balance			466 23
	9/30	Service charge	5 40		460 83
	9/30	Interest earned		68	461 51
	9/30	ATM deposit		129 00	590 51

Lesson 3.4 Check Register Reconciliation

3. Sheldon Jennings' check register balance on July 31 was \$525.58. His bank statement balance on July 31 was \$610.91. When he compared his check register with his bank statement, the statement showed a service charge of \$12.75 and interest earned of \$1.01. His check register showed three outstanding checks: No. 675 for \$89.32, No. 676 for \$21.18, and No. 679 for \$200.57. Also, a deposit of \$214 was made too late to appear on the statement. Reconcile Sheldon's bank statement and check register.

Reconciliation Form			
Follow these steps:			Outstanding Checks
Enter closing balance from statement	\$610.91	675	\$ 89.32
		676	21.18
Add any deposits outstanding	+ 214.00	679	200.57
Add lines 1 and 2	\$824.91		
Enter total of outstanding checks	- 311.07		
Subtract line 4 from 3. This amount should equal your check register balance.	\$513.84		
		Total	\$311.07

Check Register

Check No.	Date	Description of Transaction	Payment/Debit	Deposit/Credit	Balance
	7/31	Previous Balance			525 58
	7/31	Service charge	12 75		512 83
	7/31	Interest earned		1 01	513 84

4. On December 31, Hertha Bauer's check register balance was \$265.86 and her bank statement balance was \$599.42. The total amount of deposits on the statement was \$456.12 and the total amount of checks was \$500.23. The statement also showed a service charge of \$2.45, \$17.75 charge for printed checks, and a deposit of \$235.67 that had not been recorded in the check register. There was one outstanding check for \$118.09. Reconcile her check register.

Check Register

Check No.	Date	Description of Transaction	Payment/Debit	Deposit/Credit	Balance
	12/31	Previous Balance			265 86
	12/31	Service charge	2 45		263 41
	12/31	Checking printing	17 75		245 66
	12/31	Deposit		235 67	481 33

Lesson 3.5 Other Reconciliation Problems

Exercises

- On July 31, Ilene Darin's bank statement showed a balance of \$1,001.79. Her check register's balance was \$718.29. While comparing the bank statement to the check register Ilene found a service charge of \$13.65, that Check 367 for \$76.09 had been recorded in the check register as \$67.09, a deposit of \$194.35 made on July 10 had not been recorded in the check register, and Check 371 for \$47.36 had been recorded twice in the check register. An EFT loan payment for \$159.10 also was not recorded in the check register. A deposit of \$350 was recorded in the check register but was made too late to appear on the bank statement. Outstanding checks were 363 for \$157.73 and 374 for \$415.81. Reconcile Ilene's bank statement and check register.

Reconciliation Form			
Follow these steps:		Outstanding Checks	
Enter closing balance from statement	\$1,001.79	363	\$157.73
		374	415.81
Add any deposits outstanding	+ 350.00		
Add lines 1 and 2	\$1,351.79		
Enter total of outstanding checks	- 573.54		
Subtract line 4 from 3. This amount should equal your check register balance.	\$778.25		
		Total	\$573.54

Check Register					
Check No.	Date	Description of Transaction	Payment/Debit	Deposit/Credit	Balance
	7/31	Previous Balance			718 29
	7/31	Service charge	13 65		704 64
	7/31	Ck 367 wrong amount		67 09	771 73
	7/31	Ck 367 correct amount	76 09		695 64
	7/31	Deposit of 7/10		194 35	889 99
	7/31	Ck 371 recorded twice		47 36	937 35
	7/31	EFT Payment	159 10		778 25

Lesson 3.5 Other Reconciliation Problems

2. On February 28, Woodrow Fraser's check register balance was \$424.09 and his bank statement balance was \$343.15. Comparing the register with the bank statement, he found a service charge for \$13.50 and interest earned of \$0.92 listed on the statement. He also found that he had failed to record Check 986 to Schiller Furniture for \$135.65, an ATM withdrawal for \$70, and an ATM-user fee of \$1.50 in his check register. Also, Check 985 for \$86.32 was recorded in the register as \$86.23. Outstanding checks were 988 for \$18.15 and 989 for \$268.73. A deposit mailed on February 26 for \$148 was not listed on the bank statement. Reconcile Woodrow's bank statement and check register.

Reconciliation Form			
Follow these steps:		Outstanding Checks	
Enter closing balance from statement	\$343.15	988	\$ 18.15
		989	268.73
Add any deposits outstanding	+ 148.00		
Add lines 1 and 2	\$491.15		
Enter total of outstanding checks	- 286.88		
Subtract line 4 from 3. This amount should equal your check register balance.	\$204.27		
		Total	\$286.88

Check Register

Check No.	Date	Description of Transaction	Payment/Debit	Deposit/Credit	Balance
	2/28	Previous Balance			424 09
	2/28	Service charge	13 50		410 59
	2/28	Interest Earned		92	411 51
986	2/28	Schiller Furniture	135 65		275 86
	2/28	ATM W/D	70 00		205 86
	2/28	ATM user fee	1 50		204 36
	2/28	Ck 985 wrong amount		86 23	290 59
	2/28	Ck 985 correct amount	86 32		204 27