Understanding Banking Vocabulary

Extension Activity for Saving Cents Presentation

Grade Level:
• Grade 8

Learning Objective:
This extension activity, along with the Saving Cents presentation should help students:
• Define words commonly associated with banking*
  *Definitions are written at an eighth-grade level

Materials Needed:
• whiteboard
• whiteboard marker
• Understanding Banking Vocabulary worksheet (1 per student)
• pencils (1 per student)

Lesson Plan:
Write the following words on the whiteboard before the lesson:

- bank account
- savings account
- chequing account
- withdrawal
- simple interest
- compound interest
- monthly fee
- banking transaction
- banking fee
- debit card
- direct deposit
- monthly bank statement
- transfer

1. Read the words on the whiteboard aloud and ask students if they have ever heard of any of these terms before
2. Explain to students all the terms relate to banking. Ask students if any of them have accounts at a financial institution. Allow students to share their responses aloud
3. Go through each term and ask students what they know about it. Write correct responses on the whiteboard
4. Share the following definitions with students:
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>bank account</td>
<td>a product offered by a financial institution where customers can put money in and take money out and the financial institution keeps a record of this information</td>
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<tr>
<td>savings account</td>
<td>money held by an individual, in an account, at a financial institution intended for future use</td>
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<tr>
<td>chequing account</td>
<td>money held by an individual, in an account, at a financial institution intended for regular use</td>
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<tr>
<td>withdrawal</td>
<td>taking money out of a bank account</td>
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<td>simple interest</td>
<td>a percentage of money paid on the principal amount in a bank account</td>
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<tr>
<td>compound interest</td>
<td>a percentage of money paid on both the principal amount and any simple interest earned</td>
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<tr>
<td>monthly fee</td>
<td>money charged each month for the convenience of having a bank account. Most online financial institutions and youth accounts do not have this charge</td>
</tr>
<tr>
<td>banking transaction</td>
<td>any activity performed on a bank account by the account holder or at their request</td>
</tr>
<tr>
<td>banking fee</td>
<td>money charged for completing a banking transaction</td>
</tr>
<tr>
<td>debit card</td>
<td>a plastic card linked to a bank account. Can be used to deposit and withdraw money from a bank account and make purchases at stores</td>
</tr>
<tr>
<td>direct deposit</td>
<td>putting money into a bank account as a form of payment (e.g. a paycheque is put directly into an employee’s bank account)</td>
</tr>
<tr>
<td>monthly bank statement</td>
<td>a written record of the activity for a bank account over a monthly period</td>
</tr>
<tr>
<td>transfer</td>
<td>moving money from one place to another. This may occur electronically or physically (e.g. moving money from a savings account to a chequing account)</td>
</tr>
</tbody>
</table>

5. Distribute the *Understanding Banking Vocabulary* worksheet to students
6. Review the answers with students after they have completed the worksheet
Understanding Banking Vocabulary

Instructions: match each term to its definition

a) banking transaction  b) savings account  c) chequing account
d) banking fee  e) simple interest  f) monthly fee
g) withdrawal  h) transfer  i) compound interest
j) debit card  k) direct deposit  l) monthly bank statement
m) bank account

1. ______ a written record of the activity for a bank account over a monthly period
2. ______ a product offered by a financial institution where customers can put money in and take money out and the financial institution keeps a record of this information
3. ______ an employer putting money earned into a bank account
4. ______ taking money out of a bank account
5. ______ money charged each month for the convenience of having a bank account. Most online financial institutions and youth accounts do not have this charge
6. ______ money charged for completing a banking transaction
7. ______ a plastic card linked to a bank account. Can be used to deposit and withdraw money from a bank account and make purchases at stores
8. ______ money held by an individual, in an account, at a financial institution intended for regular use
9. ______ money held by an individual, in an account, at a financial institution intended for future use
10. ______ a percentage of money paid on the principal amount in a bank account
11. ______ any activity performed on a bank account by the account holder or at their request
12. ______ a percentage of money paid on both the principal amount and any simple interest earned
13. ______ moving money from one account to another. This may occur electronically or physically (e.g. moving money from a saving account to a chequing account)
Understanding Banking Vocabulary: Answer Key

Instructions: match each term to its definition

a) banking transaction  b) savings account  c) chequing account
d) banking fee  e) simple interest  f) monthly fee
g) withdrawal  h) transfer  i) compound interest
j) debit card  k) direct deposit  l) monthly bank statement
m) bank account

1. ___l__ a written record of the activity for a bank account over a monthly period
2. ___m__ a product offered by a financial institution where customers can put money in
   and take money out and the financial institution keeps a record of this information
3. ___k__ an employer putting money earned into a bank account
4. ___g__ taking money out of a bank account
5. ___f__ money charged each month for the convenience of having a bank account. Most
   online financial institutions and youth accounts do not have this charge
6. ___d__ money charged for completing a banking transaction
7. ___j__ a plastic card linked to a bank account. Can be used to deposit and withdraw
   money from a bank account and make purchases at stores
8. ___c__ money held by an individual, in an account, at a financial institution intended for
   regular use
9. ___b__ money held by an individual, in an account, at a financial institution intended for
   future use
10. ___e__ a percentage of money paid on the principal amount in a bank account
11. ___a__ any activity performed on a bank account by the account holder or at their
    request
12. ___i__ a percentage of money paid on both the principal amount and any simple interest
    earned
13. ___h__ moving money from one account to another. This may occur electronically or
    physically (e.g. moving money from a saving account to a chequing account)