B1

TRUE OR FALSE MONEY QUIZ

- How much do you know about money, debt and credit?
- Have you got a bank account?
- Have you ever thought about what you might need to know in order to manage your money effectively?

Have a go at this true or false quiz to find out how good your knowledge is.

Simply mark whether you think the following statements are true or false

1. Bank notes are printed by high street banks.
2. It is a legal requirement that everyone has a bank account by the age of 18.
3. You have to be at least 18 years old before you can apply for a personal loan.
4. Everyone over the age of 18 is entitled to have a credit card if they want one.
5. You can open a bank account in your own name at the age of 11.
6. Banks offer customers advice on mortgages, investments and pensions.
7. Banks are business and are there to make a profit.
8. All bank accounts are free and customers are never charged for using their accounts.
9. All bank accounts pay interest.
10. A bank will ask me to provide identification if I want to open an account.
11. If I have a job I can get my wages paid directly into my bank account.
12. By law banks have to provide you with a monthly bank statement.
13. An overdraft occurs when you spend more money than you have in your bank account.
14. You can take out money using your cash card when on holiday abroad.
15. Your parents must have access to your bank account.

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TRUE OR FALSE MONEY QUIZ ANSWERS

1. Bank notes are printed by high street banks.
False – All bank notes are printed by the Bank of England.

2. It is a legal requirement that everyone has a bank account by the age of 18.
False – There is no legal requirement to have a bank account.

3. You have to be at least 18 years old before you can apply for a personal loan.
True – Banks can only lend money to people over the age of 18.

4. Everyone over the age of 18 is entitled to have a credit card if they want one.
False – Banks have the right to refuse a request for a credit card based on someone's credit history.

5. You can open a bank account in your own name at the age of 11.
True

6. Banks offer customers advice on mortgages, investments and pensions.
True

7. Banks are business and are there to make a profit.
True

8. All bank accounts are free and customers are never charged for using their accounts.
False – Banks will charge customers for using services such as stopping a cheque, sending money overseas or ordering copies of their statements.

9. All bank accounts pay interest.
False – Most accounts pay interest but not all. Some people do not receive interest on their account for religious reasons.

10. A bank will ask me to provide identification if I want to open an account.
True – By law banks have to identify the person who is requesting the bank account. This will help prevent fraud.

11. If I have a job I can get my wages paid directly into my bank account.
True

12. By law banks have to provide you with a monthly bank statement.
False – Customers can request their statements anything from half yearly to daily.

13. An overdraft occurs when you spend more money than you have in your bank account.
True – This is referred to as going overdrawn and occurs when you spend more money than is in your account.

14. You can take out money using your cash card when on holiday abroad.
True – Most cash cards can be used in cash machines overseas.

15. Your parents must have access to your bank account.
False – Only the named person on the account can have access to their bank account details unless they give the bank permission to share the information with others.

B1

How To Manage Your Money

HOW TO MANAGE YOUR MONEY QUIZ

Mark is 15. He enjoys going out with his mates and his main interest outside school is playing golf.

His parents give him a small allowance each month in return for doing such chores as mowing the lawn and washing the car. Mark never thinks he has enough money. There is always some new golfing gear he wants to buy.

Mark is about to turn 16 and his dad has suggested he gets a part time job to earn some extra money.

Mark has been successful in getting a job with a local supermarket and starts the day after his 16th birthday.

He has just received a letter from the supermarket confirming the job and asking him to bring in his bank details on the first day, so they arrange for his wages to be paid directly into his bank account.

Mark has one problem – He hasn't got a bank account.

Mark doesn't know much about how to manage his money and has no idea how a bank account operates. Can you help him?

At what age are you legally required to have a bank account?
- There is no law that insists you open an account
- By law you must have a bank account by the age of 18
- By law you must have a bank account by the age of 21

ATM's (Automated Teller Machines) are also often known as:
- Money Banks
- Cash Points
- Cash Walls

Which of these services can't be undertaken using an ATM:
- Obtaining a mini statement
- Checking the balance
- Transferring money between accounts

Who can use your cash card?
- Your parent or guardian can use your card
- Friends can use your card if you choose to give them permission
- You should never share you cash card with anyone

What does PIN stand for?
- Personal Identification Number
- Please Insert Now
- Please Input Numbers

How old do you have to be to be issued with a cheque book?
- You can only have a cheque book once you reach the age of 18
- For most accounts you can have a cheque book at the age of 13
- For most accounts you can apply for a cheque book from the age of 16

If you write a cheque for £15.65, how should you write out the amount?
- £15 pounds and 65 pence exactly
- Fifteen pounds and 65p precisely
- Fifteen pounds and sixty five pence only

Which of the following transactions is it not possible to do via internet banking?
- Check your balance
- Withdraw cash
- Transfer money between accounts

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How To Manage Your Money

HOW TO MANAGE YOUR MONEY QUIZ – ANSWERS

Mark is 15. He enjoys going out with his mates and his main interest outside school is playing golf.

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Mark doesn't know much about how to manage his money and has no idea how a bank account operates. Can you help him?

The correct answer is the one in bold type.

At what age are you legally required to have a bank account?
- **There is no law that insists you open an account**
- By law you must have a bank account by the age of 18
- By law you must have a bank account by the age of 21

ATM's (Automated Teller Machines) are also often known as:
- Money Banks
- **Cash Points**
- Cash Walls

Which of these services can't be undertaken using an ATM:
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- Checking the balance
- **Transferring money between accounts**

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How to Manage Your Money

SAMPLE BANK STATEMENT

MY BANK

Name	Mr James Smith	
Address	24 Church End	
	Wocester	
Account Number		12345678
Sort Code		141023
Date	1st March 2007	

Date	Details	Withdrawn	Paid In	Balance
	Brought Forward			£105.00
01 February 2007	First Music (Card Transaction)	£14.99		£90.01
	Exchange Mobiles (Direct Debit)	£24.00		£66.01
03 February 2007	Cash Withdrawal	£20.00		£46.01
04 February 2007	M.G.Supermarkets (BACS)		£35.00	£81.01
08 February 2007	Cash Withdrawal	£10.00		£71.01
09 February 2007	Cheque no. 001284	£29.99		£41.02
13 February 2007	Better Gyms (Direct Debit)	£25.00		£16.02
14 February 2007	Roseanne The Florist (Card Transaction)	£19.00		-£2.98
18 February 2007	M.G.Supermarkets (BACS)		£42.00	£39.02
22 February 2007	Cheque Deposit		£50.00	£89.02
24 February 2007	Cash Withdrawal	£30.00		£59.02
.	Cheque no. 001286	£17.00		£42.02
25 February 2007	Mister Burgers (Card Transaction)	£6.50		£35.52
27 February 2007	Card Withdrawal	£20.00		£15.52
			TOTAL	£15.52

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How to Manage Your Money

UNDERSTANDING A BANK STATEMENT

When you open a bank account, your bank will regularly send you a record of what has been paid into your account and how much has gone out during a given period.

Many bank account statements are available to view and print online.

Reviewing your bank account statement regularly can help you with managing your money.

Study the example of the bank statement received by James Smith and have a go at answering the following questions.

1. How much did James have in his account on 7th February?

2. James has a part time job with M.G.Supermarkets. How much did he get paid in February?

3. How much in total did James withdraw from cash machines during the month?

4. What was the largest amount of money James withdrew from his account and on what date did this happen?

5. How much was left in his account on 27th February?

6. Did his account go overdrawn at any point during the month? If so, on what date and by how much?

7. What were the names of the 3 places James spent money using his debit card?

8. James has written out a cheque for £10.00 which is still to be debited to his account. How much does he have available to spend?

9. £25.00 was debited from his account on 13th February by Better Gyms. How was this amount taken?

10. How do you think the bank statement helps James to manage his personal finances?

Please discuss!

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How to Manage Your Money

UNDERSTANDING A BANK STATEMENT – ANSWERS

When you open a bank account, your bank will regularly send you a record of what has been paid into your account and how much has gone out during a given period.

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Reviewing your bank account statement regularly can help you with managing your money.

Study the example of the bank statement received by James Smith and have a go at answering the following questions.

1. How much did James have in his account on 7th February?

£81.01

2. James has a part time job with M.G.Supermarkets. How much did he get paid in February?

£77.00

3. How much in total did James withdraw from cash machines during the month?

£80.00

4. What was the largest amount of money James withdrew from his account and on what date did this happen?

£30.00 A cash withdrawal on 24th February

5. How much was left in his account on 27th February?

£15.52

6. Did his account go overdrawn at any point during the month? If so, on what date and by how much?

Yes, on 14th February by £2.98

7. What were the names of the 3 places James spent money using his debit card?

First Music
Roseanne The Florist
Mister Burger

8. James has written out a cheque for £10.00 which is still to be debited to his account. How much does he have available to spend?

£5.52

9. £25.00 was debited from his account on 13th February by Better Gyms. How was this amount taken?

By Direct Debit

10. How do you think the bank statement helps James to manage his personal finances?

To understand what he is spending his money on
To help with budgeting

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Understanding Credit

BUDGET PLANNING

Background Information:

David Evans to 18 years old. He started work 6 months ago for Frank Gardener Engineering. The company has recently moved premises and David is struggling to get to work on time as he is reliant on a lift from his brother.

David has decided to he needs to buy a car to solve this problem.

In order to purchase a car David wants to borrow £5000 from his bank.

David has visited his local bank and has applied for a £5000 loan. The loan is over 3 years and the monthly repayments would be £180.00

Using the information below, complete the budget planner to help determine whether David can afford the monthly payments.

David gets paid £800 per month on the last working day of the month by Frank Gardener Engineering.

He transfers £100 each month to his savings account, which currently has a balance of £600.

David pays £120 each month to his parents for board and lodgings.

David is a member of his local gym and pays £30 membership fee each month by direct debit.

He has a mobile phone and pays on average £30 a month to cover the contract and call charges.

David tends to spend about £60 a month on clothes and £70 on socialising with his friends.

David has had a quote for car insurance and this works out at £65 a month.

Currently David is spending £25 a month on bus fares

David thinks that he will spend £80 a month on petrol if he buys a car.

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Understanding Credit

BUDGET PLANNER

Monthly Income	**Amount**
Wages	£
Other	£
TOTAL INCOME	£
Monthly Expenditure	
Mortgage/Rent/Board	£
Loans	£
Council Tax	£
House/Car Insurance	£
Electricity/Gas/Water	£
Food	£
Clothes	£
Phone	£
Petrol/Bus Fares	£
Socialising/Leisure Activities	£
Savings	£
Other	£
TOTAL INCOME	£
- TOTAL EXPENDITURE	£
SURPLUS	£

Do you think David can afford the £180.00 repayments for a £5,000.00 loan?