

Banking Basics: Checking vs. Savings

Name: _____ Date: _____

LEARNING OBJECTIVE

The student will compare checking and savings accounts and practice filling out a mock check and account register.

MATERIALS NEEDED

- Paper
- pencil
- a printed or hand-drawn blank check template
- a printed or hand-drawn check register/ledger template
- calculator

HANDS-ON ACTIVITY

1. Research or review the basic differences between a checking account and a savings account (purpose, interest, how money is accessed).
2. Create a simple comparison chart listing at least 3 differences between checking and savings accounts.
3. Fill out a mock paper check for a sample purchase (e.g., \$45.00 to 'City Electric Company'), correctly filling in the date, payee, amount in numbers, amount in words, and signature.
4. Record that check transaction in a check register/ledger, starting from a beginning balance of \$500, and calculate the new running balance after the check.
5. Add two more mock transactions (one deposit, one more check or withdrawal) to your register and calculate the final running balance.

QUESTIONS

1. List two key differences between a checking account and a savings account.

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2. Starting from your \$500 balance, what was your account balance after all three of your recorded transactions? Show your running totals.

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3. Why do you need to write the check amount both in numbers and in words on a check?

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- 4. Why is it important to keep an accurate, updated check register instead of just remembering your transactions?**
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