

## ***Banking Practice***

**1.** A bank charges \$5 per month for managing an account. The account fee allows 10 transactions each month. Additional transactions are \$1.25 each. Determine the monthly account fee for the following number of transactions.

- a)** 11                      **b)** 20                      **c)** 0

**2.** Another financial institution has a no-fee savings account. This means there is no monthly charge for managing the account and no transaction fees. Determine the monthly account fee for the following number of transactions.

- a)** 11                      **b)** 20                      **c)** 0

**3.** Dylan works part-time after school and on weekends. His father advised him to open four bank accounts.

- Account 1 is for everyday use: this is where Dylan's pay is deposited.
- Account 2 is for investing: Dylan puts 10% of his earnings in this account.
- Account 3 is for gifts and charities: Dylan puts 10% of his earnings in this account.
- Account 4 is called "saving for big things": currently, Dylan is using Account 4 to save for his driver's license and a driver training program.

**a)** On March 17, the first deposit was made in Account 1: \$262.63. How much did Dylan transfer to Account 2? to Account 3?

**b)** Dylan transferred \$40 from Account 1 to Account 4. How much of his pay remains in Account 1?

**c)** Dylan gets paid every two weeks. If \$250 is the average amount of his pay, about how much will Dylan have in Account 2 a year later on March 17?

**4.** Caitlyn has overdraft protection on her account. Caitlyn used the ATM at her bank to withdraw \$60. When she looked at the receipt, she saw the balance in her account was -\$12.90.

**a)** What do you think a negative amount means?

**b)** What amount of money was in Caitlyn's account before she withdrew the \$60?

