Chapter 5/Topic 3

TEXTBOOK READING: Pages 83–87

NAME Gertrude Ng

DATE 10/13/89

GOALS

Here are your goals for Topic 3 of Chapter 5. Read them carefully. The goals list the things that you should be able to do when you finish work on the topic. You should be able to:

- Deduct a deposit in transit from a bank statement balance.
- List and total outstanding checks.
- Deduct the total of outstanding checks from the bank statement balance.
- Deduct a service charge from the checkbook balance.
- Prepare a bank reconciliation statement.

Exercise 1. Do Exercise 1 on page 87 of your textbook. Write your answer below.

Helping Hint: Use the bank reconciliation statement on page 87 of your textbook as a model.

Depositor Justino Mandelli

BANK RECONCILIATION STATEMENT

September 30, 1989

BALANCE SHOWN ON BANK STATEMENT $ 982.60

Plus: Deposits in Transit

Date	Amount	
Total Deposits in Transit		$

SUBTOTAL $ 982.60

Less: Checks Outstanding

Number	Amount	
127	12	80
133	125	75
135	78	20
Total Checks Outstanding		$ 216.75

ADJUSTED BANK BALANCE $ 765.85

BALANCE SHOWN ON CHECKBOOK STUB $ 767.00

Plus: Corrections

Description	Amount	
Total Additions		$

SUBTOTAL $ 767

Less: Charges, Fees, and Corrections

Description	Amount	
Service Charge	1.	15
Total Deductions		$ 1.15

ADJUSTED CHECKBOOK BALANCE $ 765.85

Check Your Work: Did the adjusted bank balance and adjusted checkbook balance agree? If they do not agree, try to locate your error or errors.

Exercise 2. Do Exercise 2 on pages 87 and 88 of your textbook. Write your answers to Exercise 2 on the form provided below.

Depositor Anna Wilinski

BANK RECONCILIATION STATEMENT

May 1 19 89

BALANCE SHOWN ON BANK STATEMENT $ 387.43

Plus: Deposits in Transit

Date	Amount
4/30	41
Total Deposits in Transit	$ 41.00

SUBTOTAL $ 428.43

Less: Checks Outstanding

Number	Amount
927	18 00
929	5 75
930	23 52
932	19 45
933	2 85
Total Checks Outstanding	$ 69.57

ADJUSTED BANK BALANCE $ 358.86

BALANCE SHOWN ON CHECKBOOK STUB $ 360.31

Plus: Corrections

Description	Amount
Total Additions	$

SUBTOTAL $

Less: Charges, Fees, and Corrections

Description	Amount
Service Charge	
	1.45
Total Deductions	$ 1.45

ADJUSTED CHECKBOOK BALANCE $ 358.86

Check Your Work: Do the adjusted bank balance and adjusted checkbook balance agree?

Yes.

LEARNING THROUGH PRACTICE

Compute the following subtraction problems:

5.36	6.32	8.51	6.07	9.58	7.12	4.60	8.93	6.27	5.49
4.52	5.47	7.60	5.55	8.60	6.51	3.72	7.95	5.35	4.51
.84	.85	.91	.52	.98	.61	.88	.98	.82	.97

6.14	8.42	8.60	3.30	7.89	5.25	3.96	3.67	9.44	4.76
5.50	7.50	7.75	2.40	6.90	4.35	2.99	2.74	8.51	3.95
.64	.92	.85	.90	.99	.90	.97	.93	.93	.81

Chapter 5/Topic 1

TEXTBOOK READING: Pages 75–80

NAME _____

DATE _____

GOALS

Here are your goals for Topic 1 of Chapter 5. Read them carefully. The goals list the things that you should be able to do when you finish work on the topic. You should be able to:

- List the advantages of paying by check.
- State the purpose of a signature card.
- Explain why check stubs are filled in before a check is prepared.
- Define banking terms.
- Prepare deposit slips, checks, aud check stubs.

Exercise 1. Do Exercise 1 on page 80 of your textbook. Write your answers to Exercise 1 below.

Helping Hint: See page 75 of your textbook for the advantages of paying by check.

- It is a safe, easy way to send money - and pay bills by mail.
- It is safer to put money in a bank than to carry it in a wallet or keep it at home.
- It is also a record of the amounts the depositor has spent.
- It serve as a record for the depositor.

Exercise 2. Do Exercise 2 on page 80 of your textbook. Write your answer to Exercise 2 below.

Helping Hint: See pages 75 and 76 of your textbook for the purpose of a signature card.

People should sign their names on their signature cards in the same way they sign on the checks (checking accounts and saving accounts)

Exercise 3. Do Exercise 3 on page 80 of your textbook. Write your answer to Exercise 3 below.

Helping Hint: See page 78 of your textbook for the reason for filling in the check stub before preparing the check.

If a stub is not filled in, there is no record of the amount of the check or the payee's name.

Exercise 4. Do Exercise 4 on page 80 of your textbook. Write your answers to Exercise 4 below.

Helping Hint: See pages 75–78 and page 80 for review of the terms listed below.

a. Payee the person or business to whom a check is made out

b. Drawer person or business who writes the check

c. Check depositor's written order to the bank to pay out an amount from the depositor's account.

d. Balance money a depositor has in the bank

e. "NSF" Not sufficient funds.

f. Overdrawn account Account with too little money to pay a check that the depositor has written.

g. Depositor person who puts money in the bank

h. Deposit slip form listing the amount of money that a depositor is putting into the bank

Exercise 5. Do Exercise 5 on pages 80 and 81 of your textbook. Write the answers to Exercise 5 on the forms below and on the next page.

Helping Hint: Refer to the deposit slip on the top of page 77 of your textbook as a guide.

5a.

Deposited In **CENTRAL STATE BANK**

Date June 3, 1989

Deposit to Account of Gertrude Nguyen
78 K. MaRthars lane
Falls church VA 22043

		Dollars	Cents
Currency		87	00
Coin		23	46
Checks	11-30	76	34
	11-32	3	20
	90-361	43	87
	16-36	56	32
	90-1991	23	57
	TOTAL	313	76

This deposit accepted under and subject to the provisions of the Uniform Commercial Code.

200 1780

ACCOUNT NUMBER

Chapter 5/Topic 1

NAME _____

DATE _____

5b.

Deposited in CENTRAL STATE BANK

Date August 25

Deposit to Account of Gertrude Nguyen
7813 Martha's Lane
Tallschurch VA 22043

		Dollars	Cents
Currency.....		23	00
Coin.....		9	36
Checks.....	16 - 27	8	76
	11 - 43	6	43
	90-297	23	67
	90-271	3	25
	90-1331	35	87
TOTAL			

2 0 0 ■ 1 7 8 0

ACCOUNT NUMBER

This deposit accepted under and subject to the provisions of the Uniform Commercial Code.

5c.

Deposited in CENTRAL STATE BANK

Date _____

Deposit to Account of _____

		Dollars	Cents
Currency.....			
Coin.....			
Checks.....			
TOTAL			

ACCOUNT NUMBER

This deposit accepted under and subject to the provisions of the Uniform Commercial Code.

Check Your Work: Add the totals of the three deposit slips. Is your new total $627.32? If your new total is not $627.32, try to locate your error or errors.

Exercise 6. Do Exercise 6 on page 81 of your textbook. Write your answers to Exercise 6 on the forms below and on the following three pages of your activity guide.

Helping Hint: Use the stub and check on page 78 of your textbook as a model.

NO. 1 $ 57.95
DATE Feb 2 1989
TO Audio Center
FOR Tape Player

	DOLLARS	CENTS
BALANCE	352	07
AMT. DEPOSITED		
TOTAL	352	07
AMT. THIS CHECK	57	95
BALANCE	294	12

NO. 101

2-436
710

PAY TO THE ORDER OF Audio Center Feb. 2 19 89 $ 57 95/100

Fifty-Seven and 95/100 DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

Gertrude Nguyen

⑆0710⑈0436⑆ 200⑈1780

NO. 102 $ 27.14
DATE Feb 3 89
TO Stone Garage
FOR Car Repair

	DOLLARS	CENTS
BALANCE	294	12
AMT. DEPOSITED		
TOTAL	294	12
AMT. THIS CHECK	27	14
BALANCE	266	98

NO. 102

2-436
710

PAY TO THE ORDER OF Stone's Garage Feb 3 19 89 $ 27 14/100

Twenty-Seven and 14/100 DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

Gertrude Ng

⑆0710⑈0436⑆ 200⑈1780

NO. $
DATE Feb. 6 89
TO
FOR

	DOLLARS	CENTS
BALANCE	266	98
AMT. DEPOSITED	62	57
TOTAL	329	55
AMT. THIS CHECK	70	00
BALANCE	259	55

NO. 103

2-436
710

PAY TO THE ORDER OF Fashion House Feb. 8 19 89 $ 70 00/100

Seventy and 00/100 DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

⑆0710⑈0436⑆ 200⑈1780

Chapter 5/Topic 1

NAME _____

DATE _____

NO. 104 $ 24.00
DATE Feb. 10. 89
TO Cash.
FOR Self

	DOLLARS	CENTS
BALANCE	259	55
AMT. DEPOSITED		
TOTAL	259	55
AMT. THIS CHECK	24	
BALANCE	235	55

NO. 104

2-436
710

PAY TO THE ORDER OF Cash/Self — Feb. 10 1989 — $ 24 00/100

Twenty-four and 00/100 DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

⑆0710⑈0436⑆ 200⑈1780

NO. 105 $ 5.25
DATE Feb 12 89
TO Al's Music Shop
FOR Tapes

	DOLLARS	CENTS
BALANCE	235	55
AMT. DEPOSITED		
TOTAL	235	55
AMT. THIS CHECK	5	25
BALANCE	230	30

NO. 105

2-436
710

PAY TO THE ORDER OF Al's Music Shop — Feb. 12 1989 — $ 5 25/100

Five and 25/100 DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

⑆0710⑈0436⑆ 200⑈1780

NO. 106 $ 3.17
DATE Feb 14 89
TO Merit Cleaners
FOR Dry Cleaning

	DOLLARS	CENTS
BALANCE	230	30
AMT. DEPOSITED	58	95
TOTAL	289	25
AMT. THIS CHECK	3	17
BALANCE	286	08

NO. 106

2-436
710

PAY TO THE ORDER OF Merit Cleaners — Feb 16 1989 — $ 3 17/100

Three and 17/100 DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

⑆0710⑈0436⑆ 200⑈1780

NO. 107 $ 8.00
DATE Feb. 18, 89
TO Dr Charles Stein
FOR dental work

	DOLLARS	CENTS
BALANCE	286	08
AMT. DEPOSITED		
TOTAL	286	08
AMT. THIS CHECK	8	00
BALANCE	278	08

NO. 107

2-436
710

PAY TO THE ORDER OF Dr Charles Stein Feb. 18 19 89 $ 8.00

Eight and 00/100 DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

⑆0710⑈0436⑆ 200⑈1780

NO. 108 $
DATE Feb 24, 89
TO
FOR

	DOLLARS	CENTS
BALANCE	278	08
AMT. DEPOSITED	50	43
TOTAL	328	51
AMT. THIS CHECK	32	
BALANCE	306	51

NO. 108

2-436
710

PAY TO THE ORDER OF Feb. 24 19 89 $ 32.00

Thirty two only DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

⑆0710⑈0436⑆ 200⑈1780

NO. 109 $ 40.00
DATE Feb 26 89
TO Susan McCabe
FOR loan

	DOLLARS	CENTS
BALANCE	306	51
AMT. DEPOSITED	63	51
TOTAL	370	02
AMT. THIS CHECK	40	
BALANCE	330	02

NO. 109

2-436
710

PAY TO THE ORDER OF Susan Mc Cabe Feb 26 19 89 $ 40.00

Forty only DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

⑆0710⑈0436⑆ 200⑈1780

Chapter 5/Topic 1

NAME _____

DATE _____

NO. 110 $ 25.00
DATE 2/27/89
TO Cash
FOR

	DOLLARS	CENTS
BALANCE	330	02
AMT. DEPOSITED		
TOTAL	330	02
AMT. THIS CHECK	25	00
BALANCE	305	02

NO. 110

2-436
710

PAY TO THE ORDER OF 2/27/1989 $ 25.00

Twenty five only DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

⑆0710⑈0436⑆ 200⑈1780

NO. 111 $ 6.50
DATE 2/28/89
TO Stone's Garage
FOR gas

	DOLLARS	CENTS
BALANCE	305	02
AMT. DEPOSITED		
TOTAL	305	02
AMT. THIS CHECK	6	50
BALANCE	298	52

NO. 111

2-436
710

PAY TO THE ORDER OF 2/28/1989 $ 6.50

Six and Fifty cents DOLLARS

CENTRAL STATE BANK
22d Street Branch
Chicago, Illinois 60690

⑆0710⑈0436⑆ 200⑈1780

Check Your Work: Did you arrive at a final balance of $298.52? If not, recheck your computations. Try to find your error or errors.

LEARNING THROUGH PRACTICE

1. Start with 50 and subtract in order the following numbers. For example: 50 − 10 = 40, 40 − 7 = 33, and so on. If you do your work correctly, you will get 12 when you add the remainders of the five problems.

a. 50 − 10 − 7 − 8 − 5 − 6 − 4 − 9 − 1 = 0

b. 50 − 6 − 3 − 6 − 4 − 9 − 8 − 5 − 8 = 1

c. 50 − 2 − 6 − 3 − 9 − 4 − 7 − 6 − 9 = 4

d. 50 − 6 − 9 − 4 − 2 − 5 − 7 − 6 − 8 = 3

e. 50 − 8 − 6 − 2 − 8 − 5 − 4 − 9 − 4 = 4

Total 12

2. Janice Jackson is a clerk-typist at Allstar Electronics, Inc. Her employer has given her a handwritten list of the part numbers of the items stocked by Allstar. She was asked to type a copy of this list. The list her employer gave her is shown at the left below. The list Janice typed is shown at the right below.

Compare all information on the handwritten list and the typed copy. Circle any error or errors you find on the typed copy. Write the correction above the error.

Allstar Electronics, Inc.
827 Mariposa Lane
Denver, Colorado 80201
303-473-1100

61	B	4225M	70	F	11148N
61	B	11182M	70	F	10959N
61	B	10944M	70	F	13855N
61	B	13819M	70	F	11178N
63	D	23810M	70	F	11201N
63	D	4148M	72	E	3843N
63	D	11067M	72	E	23912N
63	D	1090M	72	E	23913N
63	D	4094M	72	E	11037N
68	C	3975M	72	E	10931N
68	C	11212M	75	H	3875N
68	C	23860M	75	H	3776N
68	C	10087M	75	H	4980N
68	C	4130M	75	H	13808N
68	C	10964M	75	H	11105N

Allstar Electronics, Inc.
827 Mariposa Lane
Denver, Colorado 80201
303-437-1100

61	B	4225M	70	F	11148N
61	B	11182M	70	F	10505N
61	B	10944M	70	F	13855N
61	B	13819M	70	F	11178N
63	C	23810M	70	F	11201N
63	D	4148M	72	F	3843N
63	D	1067M	72	E	29321N
63	D	10901M	72	E	23913N
63	D	4094M	72	E	11037N
63	C	3975M	72	E	10931N
63	C	11212M	75	E	3875N
68	C	23680M	75	H	3776N
68	C	10087M	75	H	4890N
68	C	4130M	75	H	13808N
68	C	10964M	75	H	11115N

Chapter 5/Topic 2

TEXTBOOK READING: Pages 81–82

NAME _____

DATE _____

GOALS

Here are your goals for Topic 2 of Chapter 5. Read them carefully. The goals list the things that you should be able to do when you finish work on the topic. You should be able to:

- Identify different types of check endorsements.
- Select the best type of endorsement to use for a specific purpose.
- Prepare blank, full, and restrictive endorsements.

Exercise 1. Do Exercise 1 on pages 82 and 83 of your textbook. Write your answers to Exercise 1 on the lines provided below.

Helping Hint: See page 82 of your textbook for a review of types of endorsements.

a. Blank Endorsement

b. Full Endorsement

c. Restrictive endorsement

d.

Exercise 2. Do Exercise 2 on page 83 of your textbook. Write your answer to Exercise 2 on the lines provided below.

Helping Hint: See page 82 of your textbook.

If the check is lost or stolen anyone can cash it by signing his or her name below the name already on the back.

Exercise 3. Do Exercise 3 on page 83 of your textbook. Write your answer to Exercise 3 below.

Restrictive endorsement

Exercise 4. Do Exercise 4 on page 83 of your textbook. Write your answers to Exercise 4 below.

Full endorsement

Exercise 5. Do Exercise 5 on page 83 of your textbook. Write your answers to Exercise 5 on the forms provided below and on the next page.

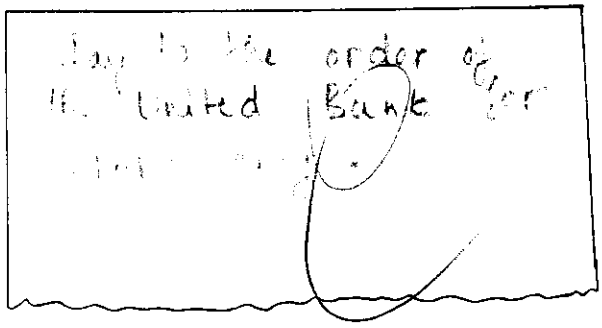
5a.

Carl Kessler

5b.

Pay to the order of
Carl Kessler
Gertrude Ng.

5c.



LEARNING THROUGH PRACTICE

James R. Kincaid received the following check in payment of a bill owed him by Mildred Corwin. Find the errors in the check. Describe the errors on the lines below.

NO. 392 2-436 / 710

March 10 19—

PAY TO THE ORDER OF James R Kincade $ ✓ 41.35

Forty-eight and 35/100 DOLLARS

CENTRAL STATE BANK
22d STREET BRANCH
CHICAGO, ILLINOIS

Mildred Corwin

⑆0710⑈0436⑆ 403⑈0214⑈

The year in the date
The name is not correct.
The amount in figures and the amount spell out
are not the same.
Blank space before the amount in figure.

Check Your Work: Did you find five errors in the check?