

Name: _____

Date: _____



DEBIT CARDS / ATM

Why do you use a debit card?

- _____
- _____
- _____
- _____
- _____

Service Charge: _____

Ex 1) Using his debit card, Jack withdraws money from an ATM machine that is NOT managed by his bank. They charge a fee of \$1.50 per transaction. If he withdraws \$20, how much money is removed from his account?

If he makes 7 transactions from the same ATM in one month, how much is he paying in service charges?

How can you avoid this?

Ex 2) Some smaller retailers charge a fee for using a debit card, when the purchase is less than \$5.00. Susan uses her debit card to purchase the following items at a Scrapbook store over a period of three days:

Day 1: stickers \$1.69

Day 2: buttons \$2.76

Day 3: glue \$4.57 (taxes included in all prices)

If the store charges \$0.35 for each debit transaction:

a) How much does she pay in service charges?

b) How much does she pay in total?

c) If she made 10 of these transactions in one month, how much would be charged in extra fees?

d) How can she avoid this?

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DEBIT CARDS/ATM WORKSHEET

1. Kit's account has a daily cash withdrawal limit of \$500 on her debit card. Kit is thinking about asking her bank for an increase in her limit to \$1000 per day.
 - a. What are advantages of increasing her limit?
 - b. What are disadvantages of increasing her limit?

2. Using his debit card, Sam withdraws money from an ATM machine that is NOT managed by his bank. They charge a fee of \$3.50 per transaction. If he makes 9 transactions from the same ATM in one month, how much is he paying in service charges?

3. Mackenzie is a nurse. She works 12 hour shifts, so it is often difficult for her to get to her own bank. Last month Mackenzie used an ATM at the gas bar twice. The fee was \$3.25 per transaction. Mackenzie also used another financial institution's ATM three times. The fee was \$1.50 per transaction. How much did she pay in service fees?

4. Some smaller retailers charge a fee for using a debit card, when the purchase is less than \$5.00. Don uses his debit card daily to buy these items at the cafeteria:

 - morning snack \$2.25
 - lunch \$4.75
 - afternoon drink \$1.25 (*no taxes*)

If the store charges \$0.35 for each debit transaction:

- a) How much does Don spend in the cafeteria each day (without the additional fee)?
 - b) How much does he pay in total (with the transaction fee)?
-
5. Some independent retailers charge a fee for using a debit card, regardless of purchase amount. Sylvia makes 10 of these purchases over the month. The debit fee is \$0.50 per transaction.
 - a) How much does Sylvia spend in debit fees?
 - b) How can she avoid this?

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ONLINE BANKING

What is online banking? Online banking is the latest way of managing your money using technology.

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“What good is online banking if you can’t download free money from the Internet?”

Advantages of Online Banking

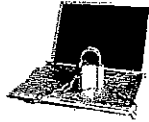
- _____
- _____
- _____
- _____

Disadvantages of Online Banking

- _____
- _____
- _____
- _____

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PIN/PASSWORD PROTECTION

Secured passwords are needed for online banking and debit card use. Passwords need to be safe and easily remembered. Key components of a good password are:

- _____ _____ _____
- _____ _____ _____

With a four digit pin, how many possible combinations are there?

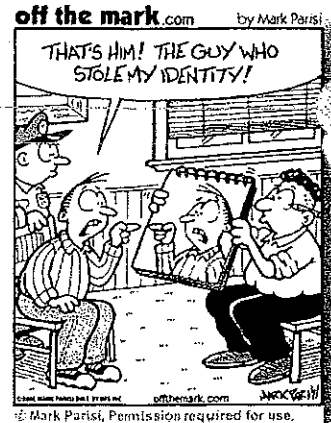
But... if it is that hard to identify a password, how can people still be ripped off?

IDENTITY THEFT

Identity Theft: _____

There are many ways to protect yourself from identity theft:

- _____ _____ _____
- _____ _____ _____



True/False

- a) You need your debit card number and password to bank online. T / F
- b) It is not safe to use the age or birthday of a family member as your PIN. T / F
- c) You cannot pay bills with online banking. T / F
- d) Online banking is available only on weekdays. T / F
- e) Online banking is safest using your own home computer. T / F
- f) Financial institutions use encryption technology to ensure your information is safe when you bank online. T / F
- g) Bills paid on the weekend are not processed until the next working day. T / F
- h) It is important to log out each time you have finished your banking online session. T / F

Online Banking Practice

1. Online banking gives 24/7 access to an account. The access is from anywhere in the world where there is a secure internet connection. How would online banking help in each of these situations?

a) A seasonal fisherman who is home only on weekends?

b) A businesswoman who travels all over North America?

2. a) Which of these are **disadvantages** of online banking, underline them:

- | | |
|----------------------|---------------------------------------|
| - 24/7 access | - Unable to deposit or withdraw money |
| - No waiting in line | - Instant access to accounts |
| - Save time | - No in-person customer service |
| - Identity theft | - Track account transactions |
| - Insecure sites | - Accessible from anywhere |

b) For each disadvantage you choose tell me **WHY** it's a disadvantage and how you can **DEAL/FIX** it?

1.

2.

3.

4.

3. a) From the following chose the reasons a person may bank online, underline them:

- Have difficulty using a computer
- Can do banking after business hours
- Worried about fraud or computer safety
- Can see all transactions online
- Don't have to leave your house or work to bank
- Enjoy the face to face type of banking

4. Sydney gets a debit card and needs to create a pin. She decides that she wants her pin to be based on her family trip that took place on December 23, 2007. How could she create a 4 or 5 digit pin from this information?

Make three 4-digit pins 1 _____ 2 _____ 3 _____

Make three 5-digit pins 1 _____ 2 _____ 3 _____

5. Tracy also just got a debit card; she needs to make a pin. She has no idea what to choose, what advice could you give her? What possible events or numbers could you recommend she use to make a pin?

6. What is identity theft? How can you keep yourself safe from being scammed online?