

Name: _____

Date: _____



Learn to identify and understand the standard financial documents you will use in the real world.

Investigate: A Checking Account Bank Statement

A checking account bank statement contains the following information:

- Balance, or amount, in the account at the beginning of a time period
- Deposits made to the account
- Deductions made from the account
- Ending balance at the end of the time period

Your Motive: You need to keep track of deductions and deposits in your check register as you write checks and deposit money. The monthly statement is the bank's record of that activity. It is important that your records and the bank's records are the same so your account will not get overdrawn.

SMITHVILLE BANK N.A.		Tom Jones 21 First Street Smithville, Florida 55523		
ACCOUNT SUMMARY		Statement Date: 02/24/05		
Balance forwarded from 01/23/05		\$41,452.80		
Checks		6,310.00		
Interest added		50.59		
Ending balance		\$35,193.39		
ELECTRONIC CREDITS				
Date	Description			
2/24/05	INTEREST PAID	\$50.59		
CHECKS AND OTHER DEBITS		DAILY BALANCE SUMMARY		
Date	Check#	Amount	Date	Balance
01/27/05	1043	\$70.00	1/27/05	\$41,382.80
02/18/05	1044	100.00	02/10/05	38,942.80
02/12/05	1045	3,600.00	02/12/05	35,342.80
02/10/05	1046	2,440.00	02/18/05	35,242.80
02/19/05	1047	100.00	02/19/05	35,142.80
			02/24/05	35,193.39

Key Points: If there is a difference between your records and the bank's records, you need to resolve the problem with your bank. If the bank thinks you have less money than you do, your checks may "bounce," or be rejected and go unpaid, causing the bank to charge you penalty fees.

Find the Solutions

1. What time period does this statement cover?
2. From this statement, what do you think is the meaning of the word *credits*?
3. From this statement, what do you think is the meaning of the word *debits*?
4. On 02/10/05, the balance in this account changed. Why?
5. There is a line on this statement that reads "Checks 6,310.00." What does this mean?