

name: \_\_\_\_\_

date: \_\_\_\_\_



## the statement

---

A credit card statement provides information such as how and when you've used your credit card, how much you owe, how much interest you're paying to use the card, how much your minimum payment is, and how much credit you have left.

Knowing how to read your credit card statement can also help you catch unauthorized charges and/or billing errors.

So, it can pay to know how to read the statement!



### **directions**

Use the credit card statement below to answer these questions:

1. What is the date of the statement?
2. What is the Annual Percentage Rate (APR)?
3. What is the corresponding periodic rate?
4. What is the new balance?
5. What was the previous balance?
6. How many charges were made during the billing cycle?
7. How many credits and payments were made during the billing cycle?
8. Were there any charges for late payments?  
If so, how much were the charges?
9. What is the total amount of the credit line?
10. What is the total amount of available credit?
11. What is the total amount of charges made during the current billing period?
12. Was there a finance charge for the current billing cycle?  
If so, how much were the charges?
13. What is the account number on the statement?
14. Where should the payment be sent?
15. What is the periodic rate for cash advances?

the statement (continued)



**CREDIT CARD STATEMENT**

**SEND PAYMENT TO**  
 Box 1234  
 Anytown, USA

<b>ACCOUNT NUMBER</b>	<b>NAME</b>	<b>STATEMENT DATE</b>	<b>PAYMENT DUE DATE</b>
4125-239-412	John Doe	2/13/01	3/09/01
<b>CREDIT LINE</b>	<b>CREDIT AVAILABLE</b>	<b>NEW BALANCE</b>	<b>MINIMUM PAYMENT DUE</b>
\$1200.00	\$1074.76	\$125.24	\$20.00

REFERENCE	SOLD	POSTED	ACTIVITY SINCE LAST STATEMENT	AMOUNT
483GE7382		1/25	PAYMENT THANK YOU	-168.80
32F349ER3	1/12	1/15	RECORD RECYCLER ANYTOWN USA	14.83
89102DIS2	1/13	1/15	BEEFORAMA REST ANYTOWN USA	30.55
NX34FJD32	1/18	1/18	GREAT EXPECTORATIONS BIG CITY USA	27.50
84RT3293A	1/20	1/21	DINO-GEL PETROLEUM ANYTOWN USA	12.26
873DWS321	2/09	2/09	SHIRTS 'N SUCH TINYVILLE USA	40.10

<b>Previous Balance</b>	(+)	168.80	<b>Current Amount Due</b>	125.24
<b>Purchases</b>	(+)	125.24	<b>Amount Past Due</b>	
<b>Cash Advances</b>	(+)		<b>Amount Over Credit Line</b>	
<b>Payments</b>	(-)	168.80	<b>Minimum Payment Due</b>	20.00
<b>Credits</b>	(-)			
<b>FINANCE CHARGES</b>	(+)			
<b>Late Charges</b>	(+)			
<b>NEW BALANCE</b>	(=)	125.24		

<b>FINANCE CHARGE SUMMARY</b>	<b>PURCHASES</b>	<b>ADVANCES</b>	<b>For Customer Service Call:</b>
<b>Periodic Rate</b>	1.65%	0.54%	<b>1-800-XXX-XXXX</b>
<b>Annual Percentage Rate</b>	19.80%	6.48%	<b>For Lost or Stolen Card, Call:</b>
			<b>1-800-XXX-XXXX</b>
			<b>24-Hour Telephone Numbers</b>

Please make check or money order payable to Your First Bank. Include account number on front.



# Services

Reconciling your checkbook needn't be a nightmare. In fact, if you've made it to college, it should be a cake walk! Just two must-dos:

1. Always record your deposits, transfers, ATM withdrawals and debit card transactions as soon as you make them.
2. Always fill out the register BEFORE you write a check. That way, you won't be caught short with the wrong balance, trying to remember what check #127 went for. Just do these, and the rest is simple math. You can handle that, right?

Many new online, Web-based services by financial institutions can help you manage your money. Some allow you to view your accounts online and even pay bills electronically.

Visit [www.practicalmoneyskills.com](http://www.practicalmoneyskills.com) for additional guidance on banking services.

THIS STATEMENT COVERS 6/20/01 through 7/19/01			
<b>CHECKING ACCOUNT</b>	Previous Statement Balance On 6/19/01		366.97
<b>0471-678</b>	Total of 1 Deposits For		1,200.00 +
	Total of 4 Withdrawals For		1,306.30 -
	Total Service Charges		0.00 -
	<b>New Balance</b>		<b>260.67 +</b>
<b>CHECKS AND OTHER DEBITS</b>	<b>CHECK</b>	<b>DATE PAID</b>	<b>AMOUNT</b>
	161	6/21	216.30
	162	6/29	1,000.00
	ATM Withdrawal #00281 at ATM #423A	6/18	35.00
	Check Card #00586 Foodland EFT	6/18	55.00
<b>DEPOSITS AND OTHER CREDITS</b>		<b>DATE POSTED</b>	<b>AMOUNT</b>
	Transfer from 4039-557 at ATM #423C	6/23	1,200.00

CHECK NO.	DATE	DESCRIPTION	TRANSACTION AMOUNT	DEPOSIT AMOUNT	BALANCE
					366.97
161	6/4	Sound Out (new tape deck)	216.30		150.67
ATM	6/18	withdrawal (spending money)	35.00		115.67
ChkCrd	6/18	Check Card (Foodland Groceries)	55.00		60.67
ATM	6/23	deposit (transfer from savings)		1200.00	1260.67
162	6/26	Woodland Apt's. (rent for everyone)	1000.00		260.67
163	7/5	CD Place (acct. #7M3406)	26.31		234.36
164	7/14	Lucasfilm, Ltd. ("Monkey Island" T-shirt)	10.00		224.36
ATM	7/20	deposit (pay check)		253.17	477.53



# Services

Use the bank statement and the check register at left, and the reconciliation worksheet below to balance this checkbook.

ITEMS OUTSTANDING		
Number	Amount	
163	26	31
164	10	00
Total	36	31

**Enter**  
The **New Balance** shown on your statement \$ **(A)** \_\_\_\_\_

**Add**  
Any deposits or transfers listed in your register that are not shown on your statement \$ \_\_\_\_\_

**Total** + \$ **(B)** \_\_\_\_\_

**Calculate the subtotal** \$ **(C)** \_\_\_\_\_

**Subtract**  
Your total outstanding checks and withdrawals - \$ **(D)** \_\_\_\_\_

**Calculate the ending balance**  
This amount should be the same as the current balance in your check register \$ **(E)** \_\_\_\_\_

Use the reconciliation worksheet above to answer the following questions:

1. What is the new balance shown on the statement? **(A)** \_\_\_\_\_
2. What is the total amount of deposits listed in the check register but not shown on the statement? **(B)** \_\_\_\_\_
3. What is the sum of the new balance and the deposits not shown on the statement? **(C)** \_\_\_\_\_
4. What is the total amount of outstanding checks and withdrawals? **(D)** \_\_\_\_\_
5. What is the ending balance? **(E)** \_\_\_\_\_

Answers to Banking Services worksheet:

(A) \$260.67, (B) \$253.17, (C) \$513.84, (D) \$36.31, (E) \$477.53

→ Calculators → credit card

Name \_\_\_\_\_



# Credit Credit Card

**S**ometimes, people fool themselves into thinking that owning a credit card is like having free money. Nothing could be further from the truth! Unless you pay your credit card bill in full every month, you will pay interest and sometimes transaction fees for the privilege of using credit. That's because buying on credit is a form of borrowing money. Only your closest friends and relatives are likely to lend you money for free. In all other instances, there are charges involved. When it comes to credit cards, it's important to be aware of what those charges are—and how they can add up.

Visit [www.practicalmoneyskills.com](http://www.practicalmoneyskills.com) for additional guidance on using credit wisely, including interactive calculators.



# Credit Credit Cards

Fernando wants to buy a stereo for \$650 and pay for it using a credit card that has an Annual Percentage Rate of 19.85% and a periodic interest rate of 1.65%.

If Fernando pays the minimum monthly payment of \$21.45:

- How long will it take him to pay for the stereo? \_\_\_\_\_
- What is the total amount Fernando will pay for the stereo? \_\_\_\_\_
- What is Fernando's total cost of using credit? \_\_\_\_\_

If Fernando makes monthly payments of \$60:

- How many months will it take for Fernando to pay off the stereo? \_\_\_\_\_
- What is the total amount Fernando will pay for the stereo? \_\_\_\_\_
- What is Fernando's total cost of using credit? \_\_\_\_\_

Jennifer took a cash advance of \$1,500. Her new credit card, as a special promotion, charges an Annual Percentage Rate of 5.9% and a periodic interest rate of .4917% for the first six months. After the first six months, an Annual Percentage Rate of 21% and a periodic interest rate of 1.75% apply. The transaction fee for cash advances is 3% of the cash advance with a minimum fee of \$5.00 and a maximum fee of \$35.00.

If Jennifer makes monthly payments of \$60.50:

- How long will it take Jennifer to pay for the cash advance? \_\_\_\_\_
- What is the total amount Jennifer will end up paying for the cash advance? \_\_\_\_\_
- How much in interest and fees will Jennifer pay? \_\_\_\_\_

If Jennifer pays the cash advance back at a rate of \$120 per month:

- How long will it take Jennifer to pay for the cash advance? \_\_\_\_\_
- What is the total amount Jennifer will end up paying for the cash advance? \_\_\_\_\_
- How much interest and fees will Jennifer pay? \_\_\_\_\_

Stephanie just used her new credit card to buy a bike for \$400. Her budget allows her to pay no more than \$25 each month on her credit card. Stephanie has decided not to use the credit card again until the bike is paid off. The credit card she used has an Annual Percentage Rate of 21% and a periodic interest rate of 1.75%.

If Stephanie pays \$25 each month on her credit card:

- How long will it take Stephanie to pay for the bike? \_\_\_\_\_
- What is the total amount Stephanie will end up paying for the bike? \_\_\_\_\_
- How much interest will Stephanie pay for using her credit card to buy the bike? \_\_\_\_\_

If Stephanie pays the minimum payment of \$14 each month:

- How long will it take Stephanie to pay for the bike? \_\_\_\_\_
- What is the total amount Stephanie will end up paying for the bike? \_\_\_\_\_
- How much interest will Stephanie pay for using her credit card to buy the bike? \_\_\_\_\_

Justin has just used his credit card to buy a new watch. He got the watch on sale for \$235. The regular price was \$290. He used a credit card that has an Annual Percentage Rate of 20% and a periodic interest rate of 1.67%.

If Justin makes the minimum monthly payment each month of \$10:

- How much will Justin end up paying for his new watch? \_\_\_\_\_
- How long will it take Justin to pay for his watch? \_\_\_\_\_
- What is the total amount of interest Justin will end up paying? \_\_\_\_\_

If Justin pays \$25 each month, instead of the minimum monthly payment of \$10 each month:

- How much will Justin end up paying for his new watch? \_\_\_\_\_
- How long will it take Justin to pay for his watch? \_\_\_\_\_
- What is the total amount of interest Justin will end up paying? \_\_\_\_\_

Answers to Credit and Credit Cards worksheet:

- |               |                |               |               |
|---------------|----------------|---------------|---------------|
| 1. 12 months  | 9. \$444.06    | 16. 39 months | 8. \$1,944.06 |
| 2. \$887.44   | 10. 14 months  | 15. \$63.83   | 7. 33 months  |
| 3. \$237.44   | 11. \$1,674.34 | 14. \$463.83  | 6. \$59.14    |
| 4. 12 months  | 12. \$174.34   | 13. 19 months | 5. \$709.14   |
| 5. \$709.14   | 21. \$59.36    | 20. 30 months | 4. 12 months  |
| 6. \$59.14    | 22. \$253.14   | 19. \$294.35  | 3. \$237.44   |
| 7. 33 months  | 23. 11 months  | 18. \$145.60  | 2. \$887.44   |
| 8. \$1,944.06 | 24. \$18.14    | 17. \$545.60  | 1. 12 months  |

