Banking and personal finance

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VOCABULARY

assets	deposit	return
balance	diversify	risk
bonds	funds	savings
budget	insurance	speculate
cash	interest	statement
checking	investment	shares/stocks
collateral	loan	teller
credit card	mortgage	term
credit check	payee	transaction
debit card	payment	withdraw
debt	pension	

PUZZLE
12·1

Definition match-up: Banking and personal finance *Match the following definitions with words from the vocabulary list. More than one word may fit some of the definitions.*

1. Put money into a bank account: ____________________
2. Take money out of a bank account: ____________________
3. Any exchange of money, goods, or services: ____________________
4. Money owed to someone: ____________________
5. How much money you have in your account: ____________________
6. A monthly written record of your bank balance: ____________________
7. A bank loan that is used to buy a house: ____________________
8. The cost of borrowing money from the bank: ____________________
9. Things of value that you own: ____________________
10. A financial instrument that pays compensation in case of loss, damage, or death: ____________________
11. A person who works at a bank: ____________________
12. Money you receive after you retire: ____________________

14. Paper money or coins: ______________________

15. The purchase of something (like stocks or bonds) in the hope of getting future profits: ______________________

16. Investments that give you part ownership of a company: ______________________

17. Investments that usually give you a fixed return: ______________________

18. The chance that an investment will lose money: ______________________

19. A bank account that you use for daily transactions: ______________________

20. A bank account you put money into and leave it there to accrue interest: ______________________

PUZZLE

12·2

Collocation match-up: Part 1 *Match the following banking words with their collocations.*

diversify	insurance	stocks
housing	return	transaction

1. ____________ and bonds
2. ____________ on investment
3. ____________ policy
4. ____________ fees
5. ____________ your risks
6. ____________ market

PUZZLE

12·3

Fill in the blanks: Banking and personal finance *Complete the following paragraphs by filling in the blanks using the words provided.*

Bank accounts

checking	interest	transaction
debit	robbed	withdraw
deposit	savings	
fire	sums	

Keeping large ____________ of money inside your home is dangerous. Your home may be ____________ by a burglar or destroyed in a ____________, in which case you would lose everything. On top of that, your money doesn't earn anything sitting at home. Therefore, most people ____________ their extra money into a bank account. Two common accounts are __________ accounts and __________ accounts. Savings accounts usually pay higher __________, but checking accounts usually have fewer __________ fees so most people use checking accounts for their day-to-day transactions. Another advantage of having a bank account nowadays is that most banks give you a __________ card so you can __________ your funds whenever and wherever you want.

Buying a house

afford	funds	payment
credit	market	percent
estate	mortgage	purchase

A home is the most expensive __________ that many people make in their lives. Few people can __________ to buy a home with __________ from their bank account. Instead, most people have to take out a special housing loan called a __________. To get a mortgage, most banks require that you have enough money for a down __________. This is typically between ten and twenty __________ of the cost of the home. The bank will also do a __________ evaluation to make sure you will be able to pay off your mortgage. Once you have secured financing, you need to look at what is available on the housing __________. To do this, most people contact a real __________ agent who will show them homes for sale.

Investing your money

bankrupt	profit	risk
bonds	rate	safest
invest	return	stocks

Banks are usually the __________ place to keep your money, but often not the most profitable. Historically speaking, the interest __________ given by banks is usually far less than the __________ on investment that comes from stocks and bonds. However, there is also more __________ when you __________ in stocks and bonds than keeping your money in the bank. What is the difference between stocks and bonds? When you purchase __________, you become a shareholder, which means you are a part owner of a business. And therefore, the more __________ the company earns, the higher your return on investment will be. When you purchase __________, you are essentially lending money to a company or government at a fixed rate of return. In the event that the company or government goes __________, bondholders get paid before shareholders. Therefore, bonds are usually considered to be less risky than stocks.