

## Unit: 3. BANKING SERVICES AND INVESTMENTS

### VOCABULARY

adjusted balance	balance after adding the outstanding deposits and subtracts the outstanding checks to the balance on the statement
ATM	Automatic (or Automated) Teller Machine: permits the customer to make transactions by using a special computer terminal
bank	service institutions set up to provide businesses and individuals basic financial services
bank account	a formal banking relationship established to provide for financial transactions
bank balance	net funds in bank account
bond	like loaning money to the company for interest
certificate of deposit (CD)	a sum on deposit usually for a given period of time at a fixed interest rate
certified check	item that will be accepted even when your personal check will not, because it is guaranteed by the bank itself
checking account	account allows you to write an instruction to the bank, as a check, to make a payment from that account
club account	accounts are set up to save for specific purchases
compound interest	interest figured on the amount of money in the savings account plus the amount of interest already earned
debit card	can be used like a credit card, but money is deducted directly from bank account

demand deposit	checking account
direct deposit	funds are deposited directly/electronically usually for payroll or pension payment
discount	if the bond sells for less than face value
dividend	a share of money earned as profits by a company and distributed to its stockholders
estate planning	planning for the distribution of one's estate after death
face value	the amount of money lent
financial services	services related to the management of money, investments, or credit
interest	the fee a bank pays you to keep your money
intestate	without a will
investment	a commitment of money in order to gain a financial return
living trust	a trust established while the owner of the trust is still alive
load	fee that the fund charges when shares are purchased
loading rate	determines sales and transactions fees
mutual fund	investment instrument in which you purchase a part of a collection of investments
net asset value	assets minus liabilities
no load	fund that does not have a fee
online banking	with a computer and appropriate software it is possible to do most banking transactions from home
outstanding checks	any checks in his register that have not been cleared through the bank
passbook account	bank issues a book in which the balance, interest, and deposits are recorded for each transaction

PIN	Personal Identification Number
portfolio	the collection of investments in the mutual fund
premium	if the bond sells for more than face value
reconciling statements	make sure the check register and bank statement agree
safety deposit box	a safe, protected place to keep important papers, valuable documents, and even valuable jewelry
savings account	accounts enable you to earn interest for money you place, or deposit, in the bank
share	percentage ownership in the mutual fund
simple interest	interest figured only on the amount of money in the savings account
statement period	time period covered by bank statement
statement savings	bank issues a monthly statement detailing your transactions
stocks	a share in the ownership of a company
term	length of time of the bond
traveler's checks	highly acceptable, easily cashed checks that you can use in places even when you are not known
trust	an estate, or other property or money, given to a person or institution to manage
will	document that specifies how one desires his estate to be distributed upon his death
yield	the annual interest ÷ cost