

Learning Activity 3.1

Now that you have completed the lesson, check your knowledge by completing the following learning activity.

- Complete the following chart by identifying the type of financial institution being described. Your choices are: *Banks, Credit Unions, Brokerage Firms, Wealth Management/Trust Companies.*

Brokerage Firms	A financial institution that connects buyers and sellers of stocks and other securities.
Banks	A for-profit financial institution that accepts and manages money deposits and provides loans.
Wealth Management/Trust Companies	Financial organizations that essentially provide a full range financial advisory services including tax advising, asset management, trust and estate planning, wealth management and philanthropic advice.
Credit Unions	A not-for-profit cooperative that is democratically controlled by its members.

- Use your chart on financial institutions to list at least one "Pro" and one "Con" of each type of financial institution.

	Banks	Credit Unions	Brokerage Firms	Wealth Management/Trust Companies
PROS	-manages money deposits as well as provides loans -can provide more competitive services & technology	-manages money deposits as well as provides loans -can result in higher saving interest rates and lower borrowing rates -you have the right to vote on policy -you get to share in excess in profits	-you need to go through a broker to buy and sell stock and they provide that specific service -possibility of investing your money and seeing it grow	-financial experts are capable of handling more complex financial situations
CONS	-Their primary motive is making a profit -you are just a customer and have no say in the operation	-may not be able to provide some services	-you must pay a commission or fee on each transaction/trade	-You will have to pay higher management fees

- What is the maximum amount insured by the CDIC (Canada Deposit Insurance Corporation) on Canadian deposit accounts in banks?
\$100,000

4. Who insures credit unions and caisses populaires in Manitoba? How is the insurance guarantee different from that of a bank's insurance?

The Deposit Guarantee Corporation of Manitoba insures the deposit accounts at credit unions and caisses populaires. The insurance guarantee is different because there is no limit to the insurance amount.

5. A payday loan is a financial service offered by some lending companies.

- a. Although a payday loan means you get money you might need right away, what is the primary disadvantage?

The primary disadvantage of payday loans is the high interest rate you will be charged (up to 17% in Manitoba). It is a very expensive way to borrow money.

- b. List at least two cheaper alternatives to getting a payday loan.

Cheaper alternatives to payday loans include:

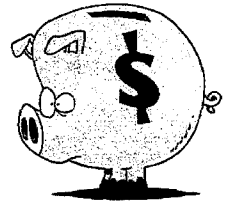
- Contact a local credit union or a financial institution for a small loan or line of credit.
- Look into getting overdraft protection on your bank account. If you don't have enough funds to cover a cheque you write, the bank will pay the cheque and you'll avoid non-sufficient fund (NSF) fees and returned cheque fees.
- Consider a loan from family or friends instead, and get the terms of the loan in writing.
- Request additional time to pay the bill from your creditors instead of taking a payday loan.
- Ask for a pay advance from your employer.
- Use a cash advance on a credit card.

End of Lesson Checklist

- Now that you have completed the questions in this lesson, use the Module 3 Learning Activity Answer Key to ensure that your answers are correct. It is found at the end of Module 3.
- Go back to the outcomes that were listed at the beginning of this lesson. Are you able to do everything on the list? If not, you may need to go back and review a few things.

Financial Institutions *and You*

Assignment #2



Name: Kelvin Lam

1. Explain the main difference between a chequing account and a savings account by describing what scenario you would use each type of account in.

2.

A chequing account is an account that is used for the purpose of spending money on everyday purchases such as debts, loans, bills, food, etc. A savings account, also known as a tax-free account, is an account solely for the purpose of investing and putting in money to yield a profit, either through stocks or another method. In addition, a savings account will most likely have a higher sum of money than a chequing account because of the accumulation of money made from dividends and returns. In a scenario, you would use a chequing account for buying coffee or to pay off a debt and you would use a savings account to save up for retirement or to buy a house.

3. Use the [FCAC Account Comparison Tool](#) to compare two different types of chequing accounts for students.

Filters	Your basic search criteria should look like this image; however, if you wish to add additional criteria tailored to your personal requirements feel free.
* 1. What province or territory do you live in? Manitoba	
* 2. Are you looking for a chequing or a savings account? <input checked="" type="radio"/> Chequing account <input type="radio"/> Savings account	
* 3. Which currency would you keep in your chequing or savings account? <input checked="" type="radio"/> CAD <input type="radio"/> USD <input type="radio"/> Other	
4. (Optional) Additional products or discounts may be available based on the following criteria. Choose all that apply to you. <input type="checkbox"/> Senior <input type="checkbox"/> GIS Recipient <input type="checkbox"/> RDSP Beneficiary <input checked="" type="checkbox"/> Youth <input checked="" type="checkbox"/> Student	

Using the results of your search, fill in the table on the following page to compare two different chequing accounts.

Option #1	Option #2
Product Name: Student Pack	Product Name: TD Student Chequing Account
Name of Bank or Credit Union: Steinbach Credit Union	Name of Bank or Credit Union: TD Canada Trust
Included Transactions: 35 combined transactions	Included Transactions: 25 combined transactions
Interest Rate: 0.0500 % \$0.00 - Unlimited	Interest Rate: None
Monthly Fee: None	Monthly Fee: None
Withdrawal Fees: (After 35 combined transactions) In-branch: \$0.65 ATM: \$0.55 ATM at another institution: \$0.55 ATM in the United States: \$3.50 ATM in other countries: \$3.50	Withdrawal Fees: (After 25 combined transactions) In-branch: \$1.25 ATM: \$1.25 ATM at another institution: \$2.00 ATM in the United States: \$3.00 ATM in other countries: \$5.00
Transfer Fees: (After 35 combined transactions) Online and mobile: No extra fee Transfers: \$0.55 In-branch: \$0.65 ATM: \$0.55 Telephone - Operator: \$0.65 Telephone - Self-serve: \$0.50	Transfer Fees: (After 25 combined transactions) Online and mobile: \$1.25 e-Transfers: \$1.25 In-branch: \$1.25 ATM: \$1.25 Telephone - Operator: \$1.25 Telephone - Self-serve: \$1.25
Overdraft Protection Fees: Per month: Not available Per occurrence: Not available Annual interest: 18.0000 %	Overdraft Protection Fees: Per month: \$4.00 Per occurrence: \$5.00 Annual interest: 21.0000 %

NSF Fees: \$35.00 (CAD)	NSF Fees: \$48.00 (CAD)
Debit Card Purchase Information: (After 35 combined transactions) Canada: \$0.55 per transaction United States: \$3.50 per transaction Other countries: \$3.50 per transaction	Debit Card Purchase Information: (After 25 combined transactions) Canada: \$1.25 per transaction United States: \$1.25 per transaction Other countries: \$1.25 per transaction
Bill Payment Fees: (After 35 combined transactions) Online and mobile: \$0.50 per transaction In-branch: \$0.65 per transaction ATM: Not available Telephone - Operator: \$0.65 per transaction Telephone - Self-serve: \$0.50 per transaction Cheque: \$0.65 per transaction	Bill Payment Fees: (After 25 combined transactions) Online and mobile: \$1.25 per transaction In-branch: \$1.25 per transaction ATM: \$1.25 per transaction Telephone - Operator: \$1.25 per transaction Telephone - Self-serve: \$1.25 per transaction Cheque: \$1.25 per transaction
Additional Features/Notes A convenient account ideal for ages 19-24. \$3.50 per month 35 free debits including Cheques and Transfers Interac direct payments Canadian Credit Union ATM debits and transfers CU BY PHONE bill payments SCU Direct bill payments.	Additional Features/Notes None

4. Which account package would you personally choose? Explain why.

In all honesty, I would choose the TD Student Chequing Account. Although there are less included transactions included with this choice as opposed to the Student Pack, 35 combined transactions are too much. Furthermore, even if I do exceed my included transactions, the fees/penalty are overall less harsh in contrast.

5. <https://www.canada.ca/en/financial-consumer-agency/services/banking/opening-bank-account.html#toc0>

What are the two basic things you need to do in order to open an account at a bank or credit union?

The first thing you need to do is to go in person to open an account at that financial institution. The second requirement is that when you do go in person, you will need to provide an acceptable form of identification in order to open one.

6. <https://www.canada.ca/en/financial-consumer-agency/services/banking/atm-fees.html>

What are the types of ATM fees you may need to pay?

Who owns the ATM you're withdrawing from	Regular account fee	Network access fee	Convenience fee (charged by another financial institution or private operator)	Total transaction cost
Your own financial institution	\$0 to \$2.00	N/A	N/A	\$0 to \$2.00
Financial institution you don't have an account with	\$0 to \$2.00	\$0 to \$1.90	\$1.00 to \$4.00	\$1.00 to \$7.90
Private operator	\$0 to \$2.00	\$0 to \$1.90	\$1.50 to \$5.00	\$1.50 to \$8.90

7. Tips for saving ATM fees:

- If possible, always try to use your own financial institution's ATM to avoid any extra fees when you withdraw money. Fees can also add up quickly by using another.
- Stay within the limit of your included transactions by making fewer withdrawals.
- ask for cash back from merchants who offer withdrawals at no charge

8. Use the word bank below to match the key terms to the following definitions.

K	1.	The annual interest percentage paid on a bank account.
G	2.	Whenever you withdraw money from a bank account this is the term the bank uses to describe its liability to you decreasing. Funds are going OUT of your account.
E	3.	A written agreement that orders your bank to pay out a sum of money to a specific person or organization.
I	4.	Money that is placed into an account at a financial institution for safekeeping.
O	5.	An agreement between you and your bank that allows you to withdraw more money than what you have in your account.
N	6.	Having access to your bank accounts via the Internet.

T	7.	The act of taking money out of an account at a financial institution.
Q	8.	A charge for a service or a penalty for not meeting the requirements of the account agreement with your bank.
D	9.	A type of cheque where the bank has already guaranteed that there are sufficient funds to cover the payment.
F	10.	Whenever you deposit money into a bank account this is the term the bank uses to describe its liability to you increasing. Funds are going IN to your account.
S	11.	Any financial event that occurs such as a deposit or a withdrawal.
L	12.	The amount some banks require you to keep in your bank account in order to avoid paying extra fees.
J	13.	The transfer of funds from one bank account to another via the Internet.
A	14.	The amount of money in your bank account at a specific moment in time.
R	15.	An employee of a financial institution whose job includes helping customers or members complete banking transactions.
C	16.	A situation where you submit funds to a bank or credit union and they then issue a draft to the desired payee.
H	17.	An ATM card that can be used to pay for goods and services by drawing money directly from the bank account that it is linked to.
M	18.	A situation where your account balance is too low to cover a debit card purchase or cheque payment.
B	19.	An electronic banking device that allows customers to complete basic transactions without the help of a teller or banking representative.
P	20.	A box or safe that is located inside a financial institution that is used to store valuables such as documents and jewelry.

Word Bank

- | | |
|-------------------------------|-----------------------|
| A. Account Balance | P. Safety Deposit Box |
| B. ATM | Q. Service Fees |
| C. Bank Draft | R. Teller |
| D. Certified Cheque | S. Transaction |
| E. Cheque | T. Withdrawal |
| F. Credit | |
| G. Debit | |
| H. Debit Card | |
| I. Deposit | |
| J. Electronic Transfer | |
| K. Interest Rate | |
| L. Minimum Balance | |
| M. NSF (Non-sufficient funds) | |
| N. Online Banking | |
| O. Overdraft Protection | |

Learning Activity 3.2

Now that you have finished the lesson, check your knowledge by completing the following learning activity.

1. Explain the main difference between a chequing account and a savings account.
A chequing account is a deposit account used for day-to-day transactions and you would mainly use this account for your spending (purchases, bills). A savings account is a deposit account used for saving for emergencies or larger purchases in the future. In order to save you would generally have more deposits than withdrawals.
2. There are two options for completing Question #2. If you have Internet access, choose Option A. If you do not have Internet access, choose Option B.

Option A: Complete this option if you have Internet access

Step 1 - Use the [FCAC Account Comparison Tool](#) to compare two different types of chequing accounts for students. Use the filter chart below to input your search criteria. You will use this data to complete Step 2 below.

(<https://itools-ioutils.fcac-acfc.gc.ca/ACT-OCC/SearchFilter-eng.aspx>)

Filters

* 1. What province or territory do you live in?

* 2. Are you looking for a chequing or a savings account?
 Chequing account
 Savings account

* 3. Which currency would you keep in your chequing or savings account?
 CAD
 USD
 Other

4. (Optional) Additional products or discounts may be available based on the following criteria. Choose all that apply to you.
 Senior
 GIS Recipient
 RDSP Beneficiary
 Youth
 Student

Your basic search criteria should look like this image; however, if you wish to add additional criteria tailored to your personal requirements feel free.

Option B: Complete this option if you do not have Internet access

Step 1- If you do not have Internet access, use the pages at the end of this learning activity. You will use this data to complete Step 2.

Step 2 – Using the results of your search, fill in the table on the following page to compare two different chequing accounts.

Think About:

What identification (ID) from the list above do you have?

Option #1	Option #2
Product Name:	Product Name:
Name of Bank or Credit Union:	Name of Bank or Credit Union:
Included Transactions:	Included Transactions:
Interest Rate:	Interest Rate:
Monthly Fee:	Monthly Fee:
Withdrawal Fees:	Withdrawal Fees:
Transfer Fees:	Transfer Fees:
Overdraft Protection Fees:	Overdraft Protection Fees:
NSF Fees:	NSF Fees:
Debit Card Purchase Information:	Debit Card Purchase Information:
Bill Payment Fees	Bill Payment Fees
Additional Features/Notes	Additional Features/Notes

3. Which account package would you personally choose? Explain why.
Answers will vary. Did you back up your opinion with a reason(s) why?

4. What are the two basic things you need to do in order to open an account at a bank or credit union?
In order to open an account at a bank or credit union you need to:
 - a. Go there in person
 - b. Show the bank or credit union the required identification.

5. Use the word bank below to match the key terms to the following definitions.

K	1.	The annual interest percentage paid on a bank account.
G	2.	Whenever you withdraw money from a bank account this is the term the bank uses to describe its liability to you decreasing. Funds are going OUT of your account.
E	3.	A written agreement that orders your bank to pay out a sum of money to a specific person or organization.
I	4.	Money that is placed into an account at a financial institution for safekeeping.
O	5.	An agreement between you and your bank that allows you to withdraw more money than what you have in your account.
N	6.	Having access to your bank accounts via the Internet.
T	7.	The act of taking money out of an account at a financial institution.
Q	8.	A charge for a service or a penalty for not meeting the requirements of the account agreement with your bank.
D	9.	A type of cheque where the bank has already guaranteed that there are sufficient funds to cover the payment.
F	10.	Whenever you deposit money into a bank account this is the term the bank uses to describe its liability to you increasing. Funds are going IN to your account.
S	11.	Any financial event that occurs such as a deposit or a withdrawal.
L	12.	The amount some banks require you to keep in your bank account in order to avoid paying extra fees.
J	13.	The transfer of funds from one bank account to another via the Internet.
A	14.	The amount of money in your bank account at a specific moment in time.
R	15.	An employee of a financial institution whose job includes helping customers or members complete banking transactions.
C	16.	A situation where you submit funds to a bank or credit union and they then issue a draft to the desired payee.
H	17.	An ATM card that can be used to pay for goods and services by drawing money directly from the bank account that it is linked to.
M	18.	A situation where your account balance is too low to cover a debit card purchase or cheque payment.
B	19.	An electronic banking device that allows customers to complete basic transactions without the help of a teller or banking representative.
P	20.	A box or safe that is located inside a financial institution that is used to store valuables such as documents and jewelry.

Word Bank

- | | | | |
|----|---------------------|----|----------------------|
| A. | Account Balance | K. | Interest Rate |
| B. | ATM | L. | Minimum Balance |
| C. | Bank Draft | M. | NSF |
| D. | Certified Cheque | N. | Online Banking |
| E. | Cheque | O. | Overdraft Protection |
| F. | Credit | P. | Safety Deposit Box |
| G. | Debit | Q. | Service Fees |
| H. | Debit Card | R. | Teller |
| I. | Deposit | S. | Transaction |
| J. | Electronic Transfer | T. | Withdrawal |

End of Lesson Checklist

- Now that you have completed the questions in this lesson, use the Module 3 Learning Activity Answer Key to ensure that your answers are correct. It is found at the end of Module 3.
- Go back to the outcomes that were listed at the beginning of this lesson. Are you able to do everything on the list? If not, you may need to go back and review a few things.

Option B: Use the data below to complete Step 2 if you do not have Internet access.

Source: FCAC Account Comparison Tool (<https://itools-ioutils.fcac-acfc.gc.ca/ACT-OCC/SearchFilter-eng.aspx>)

Account Comparison Tool

Product name	
RBC No Limit Banking for Students	Tangerine Chequing Account
Product web page	
http://www.rbcroyalbank.com/products/deposits/student-banking-no-limit.html	http://www.tangerine.ca/en/chequing/chequing-account/index.html
Name of bank or credit union	
Royal Bank of Canada	Tangerine Bank
Currency	
CAD	CAD
Included transactions	
Combined: Unlimited	In-branch: None Self-serve: Unlimited
e-Transfers: Yes, unlimited	e-Transfers: Not included
Interest rate	
Interest rate: None	Interest rate : 0.1500 % \$0.00 - \$49,999.99 Interest rate : 0.5500 % \$50,000.00 - \$99,999.99 Interest rate : 0.6500 % \$100,000.00 - Unlimited
Monthly fee	
\$10.95	None
Monthly fee cannot be waived	
Withdrawal fees (If included transactions exceeded)	
In-branch: No extra fee ATM: No extra fee ATM at another institution: No extra fee ATM in the United States: No extra fee ATM in other countries: No extra fee	In-branch: Not available ATM: No extra fee ATM at another institution: \$1.00 ATM in the United States: \$2.00 ATM in other countries: \$2.00
Transfer fees (If included transactions exceeded)	
Online and mobile: No extra fee e-Transfers: No extra fee In-branch: No extra fee ATM: No extra fee Telephone - Operator: No extra fee Telephone - Self-serve: No extra fee	Online and mobile: No extra fee e-Transfers: \$1.00 In-branch: Not available ATM: Not available Telephone - Operator: No extra fee Telephone - Self-serve: No extra fee
Overdraft protection fees	
Per month: \$4.00 Per occurrence: \$5.00 Annual interest: 22.0000 %	Per month: \$5.00 Per occurrence: \$5.00 Annual interest: 19.0000 %
Non-sufficient funds (NSF) fees	
\$45.00	\$40.00
Debit card purchases (If included transactions exceeded)	
Canada: No extra fee United States: \$1.00 per transaction Other countries: Not available	Canada: No extra fee United States: Not available Other countries: Not available
Bill payment fees (If included transactions exceeded)	
Online and mobile: No extra fee In-branch: No extra fee ATM: No extra fee Telephone - Operator: No extra fee Telephone - Self-serve: No extra fee Cheque: No extra fee	Online and mobile: No extra fee In-branch: Not available ATM: Not available Telephone - Operator: No extra fee Telephone - Self-serve: No extra fee Cheque: No extra fee
Other features / Notes on the account	
N/A	Free unlimited POS transactions. Unlimited ABM transaction at Tangerine and Scotia ABM#39;s

Learning Activity 3.3

Now that you have finished the lesson, check your knowledge by completing the following learning activity.

1. List at least two benefits of keeping track of your bank account transactions.
Benefits include:
 - you can monitor your spending
 - you'll have a pretty good idea of your account balance
 - serves as a record to compare to your bank or credit union statements (account reconciliations)

2.
 - a. Keep track of Allen's transactions for the month of February by completing the Chequebook Register below. Be sure to keep everything in order by the date it occurred.
Note: Allen decided to get cheques from his credit union to pay for fees at his school. Don't forget to record the cheque number in the correct column!


Transactions
Feb. 2 (Debit-Lunch, \$12.00)
Feb. 3 (ATM Deposit, \$100.00)
Feb. 9 (Paycheque-direct deposit, \$378.50)
Feb. 14 (Cell phone bill Ref #8956, \$67.45)
Feb. 16 (Debit-Clothing R Us, \$159.56)
Feb. 23 (Paycheque-direct deposit, \$378.50)
Feb. 23 (Wrote cheque 001 for basketball fees, \$100.00)
Feb. 26 (Wrote cheque 002 for school ski trip, \$250.00)

Chequebook Register

Number	Date	Description of transaction	Debit (-)	Credit (+)	Balance
	Feb. 1	Balance Forward			\$ 797.21
	Feb. 2	Debit-Lunch	\$ 12.00		\$ 785.21
	Feb. 3	ATM Deposit		\$ 100.00	\$ 885.21
	Feb. 9	Paycheque-direct deposit		\$ 378.50	\$ 1,263.71
	Feb. 14	Cell phone bill payment (Ref #8956)	\$ 67.45		\$ 1,196.26
	Feb. 16	Debit-shopping at Clothing R Us	\$ 159.56		\$ 1,036.70
	Feb. 23	Paycheque-direct deposit		\$ 378.50	\$ 1,415.20
001	Feb. 23	Cheque-fees for basketball team	\$ 100.00		\$ 1,315.20
002	Feb. 26	Cheque-fees for school ski trip	\$ 250.00		\$ 1,065.20

Hint: Don't forget cheque numbers go in this column.

- b. Use Allen's online account records for the month of February (included below) to complete the account reconciliation form provided.

Your Money Credit Union				
Date	Transaction Details	Debits	Credits	Balance
Feb 1	BALANCE FORWARD			797.21
Feb 2	POS PURCHASE-LUNCHES R US	12.00		785.21
Feb 3	ATM DEPOSIT		100.00	885.21
Feb 9	ELECTRONIC FUNDS TRANSFER-PLS		378.50	1,263.71
Feb 14	INTERNET BILL PAYMENT-CELL TELL	67.45		1,196.26
Feb 16	POS PURCHASE-CLOTHING R US	159.56		1,036.70
Feb 16	ATM SERVICE FEE	3.50		1,033.20
Feb 23	ELECTRONIC FUNDS TRANSFER-PLS		378.50	1,411.70
Feb 28	CHEQUE #002	250.00		1,161.70
Feb 28	INTEREST EARNED		.48	1,162.18

Bank or Credit Union Records		Personal Records	
Balance-Feb. 28	\$1,162.18	Balance-Feb. 28	\$1,065.20
<i>Things the bank or credit union might not know about:</i>		<i>Things you might not know about:</i>	
ADD any outstanding deposits. (e.g. did you deposit something at an ATM that the bank doesn't know about yet?)	-NONE	ADD any credits or deposits you were not aware of or forgot to record. (e.g. interest earned, direct deposits, recording errors)	Interest Earned +48
SUBTRACT any outstanding cheques. (e.g. did you write a cheque and that person just hasn't cashed it yet?) If so, your bank or credit union would not know about these cheques yet!	Cheque #001 (\$100.00)	SUBTRACT any debits you were not aware of or forgot to record. (e.g. service charges, fees, recording errors)	Service Charge (3.50)
Adjusted Balance	\$1,062.18	Adjusted Balance	\$1,062.18

- c. What two items would Allen need to add to his chequbook register in order to update his records?

Allen would need to credit his account for the .48 interest earned and debit his account for the \$3.50 service fee. If he enters these two transactions, his account balance would match the account reconciliation chart for \$1,062.18.

End of Lesson Checklist

- Now that you have completed the questions in this lesson, use the Module 3 Learning Activity Answer Key to ensure that your answers are correct. It is found at the end of Module 3.
- Go back to the outcomes that were listed at the beginning of this lesson. Are you able to do everything on the list? If not, you may need to go back and review a few things.

Assignment 3.1

1. In Learning Activity 3.2 you compared two different chequing accounts using the FCAC Account Comparison Tool.
 - a. Using the chequing account you would personally choose, complete the following table with the appropriate information. (5 marks)

My Chequing Account Choice	
Product Name:	
Name of Bank or Credit Union:	
Included Transactions:	
Interest Rate:	
Monthly Fee:	
Withdrawal Fees:	
Transfer Fees:	
Overdraft Protection Fees:	
NSF Fees:	
Debit Card Purchase Information:	
Bill Payment Fees	
Additional Features/Notes	