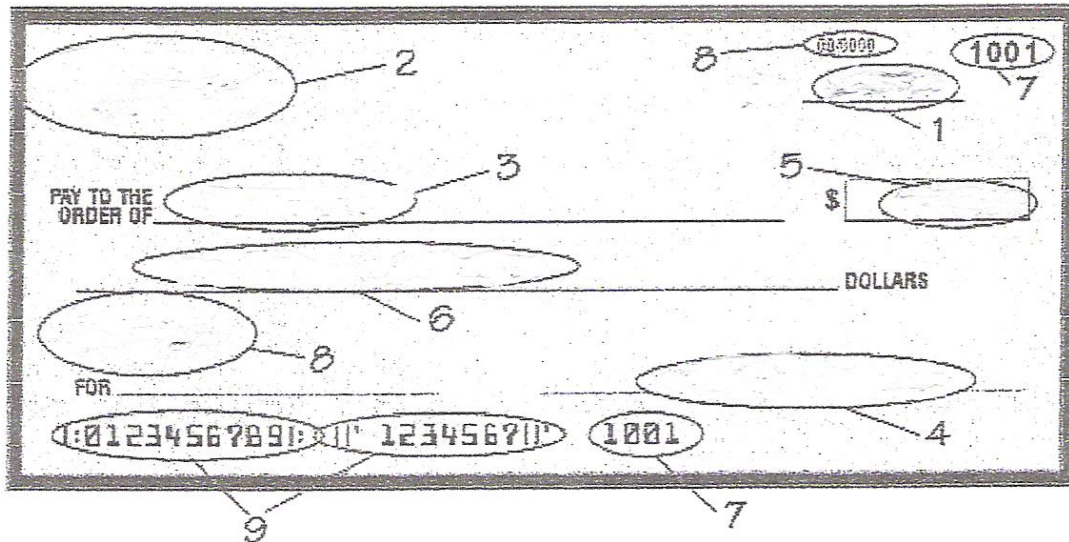


Name _____ Date _____
Real World Math Period _____

Unit 7 Quiz #1 Review
Checks and Checkbook Registers
Compound vs. Simple Interest



1. Match the labels with the correct corresponding parts of a check:

- | | |
|------------------------------|------------------------------------|
| _____ a. signature line(s) | _____ e. payee |
| _____ b. legal amount | _____ f. check number |
| _____ c. maker | _____ g. written amount |
| _____ d. banking information | _____ h. account & routing numbers |

2. True or False: You cannot post date a check.

3. True or False: You can cash a check that has been stale dated.

4. You open a checking account and begin with a balance of \$500.

- a. Write each of the 3 checks from this month so far
- b. Record all of the information in the checkbook register in chronological order.

The following deposits were made so far this month:

- 1/10 You received a rebate check for \$15 in the mail.
- 1/4 You deposited your \$57.14 paycheck from your part-time job (12/28-1/3).
- 1/11 You deposit a \$63.89 paycheck from your part-time job (1/4-1/11).

The following ATM (Automatic Teller Machine) withdrawals were made this month:

- 1/6 You and your friends went out to eat at Village Pizza. You stopped at the ATM to take out \$20.

So far this month, you wrote the following checks:

- 1/8 Check #102 to Saugerties High School. You made a \$50 deposit for the Senior Prom.
- 1/1 Check #100 to Dick's Sporting Goods. You stopped at the mall to buy new hockey skates that were on-sale for \$40. With tax, the total came to \$43.19.
- 1/4 Check #101 to F.Y.E. You bought a copy of your favorite DVD that just came out. The total came to \$21.60.

| | | |
|------------------------------|-------------------------|-----|
| <i>Your Name</i> | 45-2345/2230 | 100 |
| <i>Address</i> | Date _____ | |
| Pay to the Order of _____ | \$ <input type="text"/> | |
| _____ | Dollars | |
| <i>Bank Info</i> | | |
| For _____ | | |
| ##### | 0100 | |

| | | |
|------------------------------|-------------------------|-----|
| <i>Your Name</i> | 45-2345/2230 | 101 |
| <i>Address</i> | Date _____ | |
| Pay to the Order of _____ | \$ <input type="text"/> | |
| _____ | Dollars | |
| <i>Bank Info</i> | | |
| For _____ | | |
| ##### | 0101 | |

| | | |
|------------------------------|-------------------------|-----|
| <i>Your Name</i> | 45-2345/2230 | 102 |
| <i>Address</i> | Date _____ | |
| Pay to the Order of _____ | \$ <input type="text"/> | |
| _____ | Dollars | |
| <i>Bank Info</i> | | |
| For _____ | | |
| ##### | 0102 | |

8. During college you applied for a personal loan of \$3,000 from a bank with an interest rate of 15%. Complete the following table to compare your total with compound interest vs. simple interest over time.

| | Compound Interest—15% APR $A = P(1 + r)^t$ | Simple Interest—15% $A = P + P(r)(t)$ |
|----------|---|--|
| 1 year | | |
| 5 years | | |
| 10 years | | |

9. How much interest would have accumulated if you waited 10 years to pay back the loan?

a. Compound interest:

b. Simple interest:

10. How could you avoid paying so much in interest?

11. The rule of thumb for buying a house is that you should put down a down payment of 10% of the total cost. You plan to buy a house that costs around \$200,000. You receive \$8,000 from wedding guests and decide to put it into a bank account with a 5.9% APR to save up for the down payment on a house.

→ How much of a down payment should you put down on the mortgage?

→ How long will this take in an account with compound interest?

→ How long will this take in an account with simple interest?

→ If you don't want to wait that long to buy a house, what could you do?