

Lesson 21

WORDS TO LEARN

accept
balance
borrow
cautiously
deduct
dividend
down payment
mortgage
restricted
signature
take out
transaction

Banking

Study the following definitions and examples.

1. **accept** v., to receive; to respond favorably
 - a. The receptionist accepted the package from the courier.
 - b. Without hesitating, she accepted the job of teller.
2. **balance** n., the remainder; v. to compute the difference between credits and debits of an account
 - a. His healthy bank balance showed a long habit of savings.
 - b. It took him over an hour to balance his checkbook.
3. **borrow** v., to use temporarily
 - a. Do you want to borrow a pen?
 - b. The couple borrowed money from the bank to buy a home.
4. **cautiously** adv., carefully, warily
 - a. The bank manager spoke cautiously when giving out information to people she did not know.
 - b. Act cautiously when signing contracts and read them thoroughly first.
5. **deduct** v., to take away from a total; to subtract
 - a. Before computing his taxes, Christophe remembered to deduct allowable home improvement expenses.
 - b. By deducting the monthly fee from her checking account, Yi was able to make her account balance.
6. **dividend** n., a share in a distribution
 - a. The stockholders were outraged when their quarterly dividends were so small.
 - b. The dividend was calculated and distributed to the group.
7. **down payment** n., an initial partial payment
 - a. By making a large down payment, the couple saved a great deal in mortgage interest.
 - b. Karl was disappointed when the real estate agent told him he needed a larger down payment on the house.
8. **mortgage** n., the amount due on a property; v., to borrow money with your house as collateral
 - a. Due to low interest rates, Sheila moved quickly to find a good deal on a mortgage.
 - b. Hiram mortgaged his home to get extra money to invest in his business.
9. **restricted** adj., limited
 - a. The number of free withdrawals a customer can make from his or her account each month is restricted to five.
 - b. Access to the safe deposit box vault is restricted to key holders.
10. **signature** n., the name of a person written by the person
 - a. Once we have your signature, the contract will be complete.
 - b. The customer's signature was kept on file for identification purposes.
11. **take out** v., withdraw; remove
 - a. My checking account allows me to take out money at any bank branch without a fee.
 - b. They took out the chairs in the bank lobby so now there is no place to sit.
12. **transaction** n., a business deal
 - a. Banking transactions will appear on your monthly statement.
 - b. The most common transactions can be made from your personal computer.

WORDS IN CONTEXT

Read the following passage and write the words in the blanks below.

accept	cautious	down payment	signature
balance	deductions	mortgages	take out
borrow	dividends	restrict	transact

Banks are not only places in which to save money or to (1) _____ your financial business, but also institutions from which people can (2) _____ money. Every day, people look to banks for loans, such as (3) _____ for new homes. A loan is essentially a contract that binds the lender to a schedule of payments, so both parties should be (4) _____ and not enter into the arrangement without thinking. Banks will look at such factors as how much people have saved towards a (5) _____ in determining whether to make a loan.

Banks have different kinds of accounts. Some pay high quarterly (6) _____. Some accounts even severely (7) _____ the number of times, if any, that you can access your account, or the amount of cash you can (8) _____.

Today, electronic banking can be used to check the (9) _____ on an account, or to see if automatic (10) _____ have been made. This can all be done from your home or office computer. When you go to the bank, be sure to bring identification. Usually a bank will only (11) _____ a photo ID; a (12) _____ is not a valid ID.