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.

LIVEWORKSHEETS

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.

LIVEWORKSHEETS

WORD FAMILIES

verb	accept	The bank will not accept a student ID as a valid form of identification.
noun	acceptance	The bank's acceptance of checks allows extra time for out-of-state checks to clear before they are credited to your account.
adjective	acceptable	Shorter banking hours would not be acceptable to many customers, who might close their accounts as a result.

verb	caution	Our friends cautioned us against putting our money into an account that pays such a low interest rate.
adjective	cautious	The bank officer was cautious about approving Chen's loan because of his unfavorable credit history.
adverb	cautiously	We spent our money cautiously because we were not sure we would be able to borrow more.

verb	deduct	Remember to deduct the monthly bank fee from your statement.
noun	deductible	Taxes and health insurance payments are called deductibles because they are deducted from your paycheck.
noun	deduction	Deductions are made electronically every month and will appear on your statement.

verb	restrict	The bank's policies restrict the number of deductions you can make from your account without a penalty.
noun	restriction	The restrictions on who was eligible for a mortgage made it impossible for many low-income families to borrow money.
adjective	restricted	Information about your account is confidential and its use without your permission is restricted.

verb	sign	Once you have signed the mortgage contract, the bank will make a check payable to you.
noun	sign	The sign in the bank's lobby announces their rates for savings accounts and for loans.
noun	signature	Your signature can be electronically recorded to be verified later.

verb	transact	Our company transacts all its financial business at this bank.
noun	transaction	All parties concerned were pleased with the results of the business transactions.

LIVEWORKSHEETS

WORD PRACTICE

LISTENING COMPREHENSION

CD1
Track 21

Part 1 Photo

Look at the picture and listen to the sentences.
Choose the sentence that best describes the picture.



1. Ⓐ Ⓑ Ⓒ Ⓓ

Part 2 Question–Response

Listen to the question and the three responses. Choose the response that best answers the question.

2. Ⓐ Ⓑ Ⓒ 3. Ⓐ Ⓑ Ⓒ

Part 3 Conversation

Listen to the dialogue. Then read each question and choose the best answer.

4. What does the man want to do?
   (A) Open a bank account.
   (B) Get a new driver's license.
   (C) Put his signature on file.
   (D) Cash a check.

5. According to the woman, what is required?
   (A) A photo ID.
   (B) An order form.
   (C) A large deposit.
   (D) A signed check.

6. When will the man's check clear?
   (A) In seven days.
   (B) In eight days.
   (C) In ten days.
   (D) In eleven days.

Part 4 Talk

Listen to the talk. Then read each question and choose the best answer.

7. Who is this talk for?
   (A) People who are looking for a job.
   (B) People who want to borrow money.
   (C) People who work in a bank.
   (D) People who want to open a bank account.

8. How big a down payment is required?
   (A) 10 percent.
   (B) 3 percent.
   (C) 1 percent.
   (D) 4 percent.

9. What is a requirement?
   (A) A new job.
   (B) An important address.
   (C) Money in the bank.
   (D) An accountant.

LIVEWORKSHEETS

READING

Part 5 Incomplete Sentences

Choose the word that best completes the sentence.

10. I'm going to call the bank manager ahead of time to make certain that she will _____ a personal check to start a new account.
    (A) accept (C) acceptance
    (B) accepted (D) acceptable

11. We felt _____ about applying for such a large loan.
    (A) cautiously (C) cautioning
    (B) caution (D) cautious

12. Every month my automatic car loan payment shows up as a _____ on my monthly statement.
    (A) deduct (C) deducting
    (B) deduction (D) deducted

13. The number of withdrawals at no charge from your savings account is _____ to three.
    (A) restricting (C) restrict
    (B) restricted (D) restriction

14. There is a counter in the bank lobby where customers can _____ their documents.
    (A) signing (C) sign
    (B) signed (D) signature

15. These _____ must be completed before the close of business today.
    (A) transacts (C) transacted
    (B) transacting (D) transactions

Part 6 Text Completion

Dear Customer,

Our records show that you qualify for our new automatic mortgage payment plan. Under this plan, your monthly mortgage payments __16__ from your savings account automatically. Now you no longer have to worry about making your payments on time! We do it all for you. You must maintain a sufficient __17__ in your account to cover the monthly payments. If you are interested in participating in this plan, simply complete the enclosed form. Certain __18__ apply to this plan, so read the explanation on the back of the form carefully. You may return the form in the enclosed envelope. Don't forget to sign it at the bottom. Your automatic deductions could begin as early as next month.

16. (A) deduct
    (B) deducted
    (C) are deducted
    (B) are deducting

17. (A) dividend
    (B) balance
    (C) transaction
    (D) down payment

18. (A) restrictions
    (B) restrictive
    (C) restricted
    (D) restricts

LIVEWORKSHEETS

Part 7 Reading Comprehension

Questions 19–23 refer to the following two letters.

July 16, 20--

Customer Service Office
National Bank of Augusta
1398 State Street
Augusta, MD

Dear Customer Service Office,

I am a new customer at your bank. I opened an account with you last month, and I have recently received my first monthly statement. I find that there is a service charge on three of the checks that I wrote. I understood that this account had free checking, so I was surprised to see this charge. Perhaps it is a mistake. I am enclosing a copy of the statement. Please clarify this matter for me. Thank you.

Sincerely,

Marvin Gardner

August 3, 20--

Marvin Gardner
145 Merrywood Lane
Augusta, MD

Dear Mr. Gardner,

We recently received your letter asking about charges to your account. While it is true that your account has free checking, some restrictions apply. You may write five checks a month free of charge. After that, you must maintain a minimum average balance of $600 in your account in order to continue with free checking. Since your average account balance last month was only $435, you were entitled to only five free checks. A service charge was applied to the checks you wrote beyond that minimum. I hope this explanation is satisfactory to you.

Let me take this opportunity to make sure that you are aware of other services you can get with your account. You can arrange to have your monthly utility bills deducted from your account. You are also eligible to borrow small amounts of money from the bank at a low interest rate. If you are interested in these or any other services, please visit us at the bank, and an officer will be happy to explain all the details to you. Thank you for being a National Bank of Augusta customer.

Sincerely,

Eloise Lockwood
Customer Service Officer

19. Why did Mr. Gardner write this letter?
    (A) To pay his monthly utility bills.
    (B) To find out about borrowing money.
    (C) To ask a question about his monthly statement.
    (D) To order some free checks.

20. When did he open an account at the National Bank of Augusta?
    (A) May.
    (B) June.
    (C) July.
    (D) August.

21. How many checks did he write last month?
    (A) Three.
    (B) Five.
    (C) Six.
    (D) Eight.

22. The word *restrictions* in line 3 of the second letter is closest in meaning to
    (A) limitations
    (B) fees
    (C) customers
    (D) numbers

23. The word *deducted* in line 13 of the second letter is closest in meaning to
    (A) borrowed
    (B) attached
    (C) subtracted
    (D) added

LIVEWORKSHEETS