Name: Date:

Banking

Progress Assessment

Circle the letter of the best answer.

1. Which statement is NOT true?
   a. Savings accounts accrue interest.
   b. Checking accounts do not accrue interest.
   c. Savings accounts may have a limited number of monthly withdrawals.
   d. Checking accounts may have a limited number of monthly withdrawals.

2. Which is NOT an example of a bank fee?
   a. overdraft fee
   b. maintenance fee
   c. bounced check fee
   d. All of these are possible bank fees.

3. Martin's balance in his checking account on August 31 was $2,200. The next month, he recorded the following transactions in his checkbook.

Check #	Date	Description	Amount ($)
261	9/1	Car payment	–500
262	9/9	Water bill	–25
—	9/18	Deposit	800
—	9/19	ATM withdrawal	–100

What is his new balance?

   a. $2,200
   b. $3,000
   c. $625
   d. $2,375

continued

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4. Deb's balance in her checking account on October 31 was $1,850. The next month, she recorded the following transactions in her checkbook.

Check #	Date	Description	Amount ($)
249	11/1	Rent	–450
—	11/7	Internet bill	–40
—	11/8	Electric bill	–70
—	11/10	Deposit	80

What is her new balance?

a. $560

b. $1,370

c. $1,850

d. $1,930

5. Jill deposits $3,000 into an account that accrues 3.2% APR, compounded monthly. Which equation represents this situation?

a. $A = 3000(1 + 0.032)^t$

b. $A = 3000(1 + 0.032)^{12t}$

c. $A = 3000\left(1 + \frac{0.032}{12}\right)^t$

d. $A = 3000\left(1 + \frac{0.032}{12}\right)^{12t}$

6. Boris deposits $4,500 into an account that accrues 4.2% APR, compounded quarterly. Which equation represents this situation?

a. $A = 4500(1 + 0.042)^t$

b. $A = 4500\left(1 + \frac{0.042}{4}\right)^t$

c. $A = 4500(1 + 0.042)^{4t}$

d. $A = 4500\left(1 + \frac{0.042}{4}\right)^{4t}$

continued

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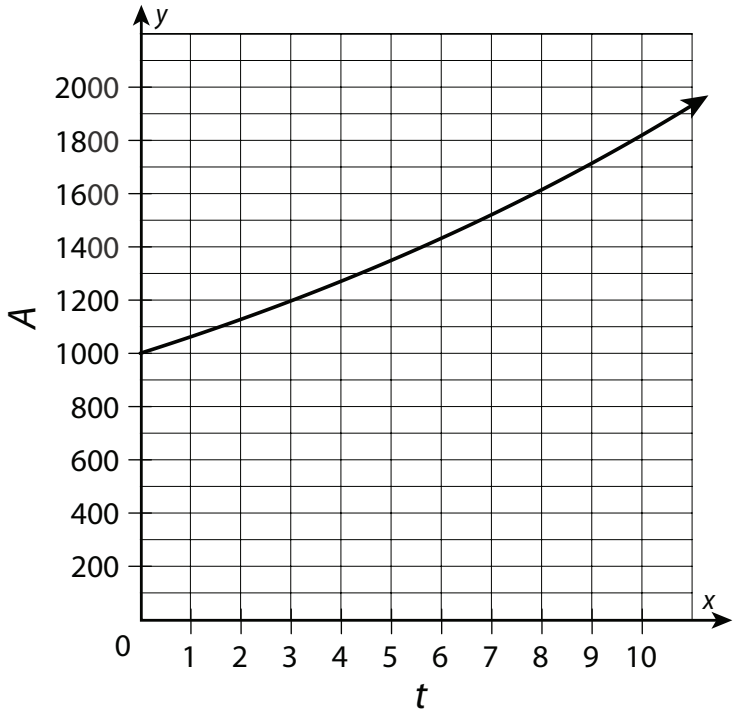
7. Which equation matches the following graph?



a. $A = 1000(1 + 0.10)^{t}$

b. $A = 1000(1 + 0.06)^{12t}$

c. $A = 1000\left(1 + \frac{0.10}{12}\right)^{12t}$

d. $A = 1000\left(1 + \frac{0.06}{12}\right)^{12t}$

continued

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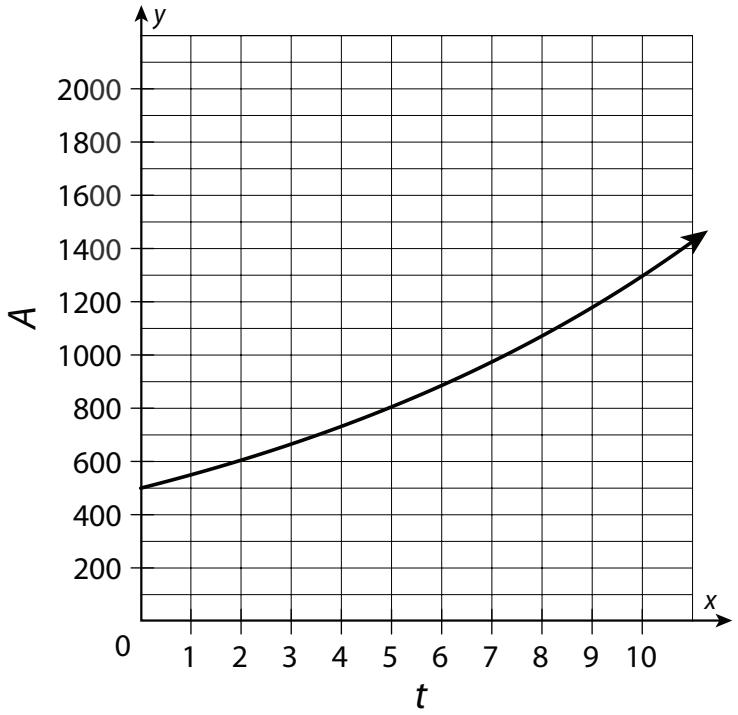
8. Which equation matches the following graph?



a. $A = 500(1 + 0.10)^t$

b. $A = 500(1 + 0.06)^{12t}$

c. $A = 500\left(1 + \frac{0.10}{12}\right)^{12t}$

d. $A = 500\left(1 + \frac{0.06}{12}\right)^{12t}$

9. Tierra deposits $600 into a savings account that accrues 1.2% APR, compounded monthly. If no withdrawals or deposits are made, what will her balance be after 3 years?

a. $621.60

b. $601.80

c. $621.86

d. $621.98

10. Alphonse deposits $2,000 into a savings account that accrues 3.9% APR, compounded monthly. If a maintenance fee of $1.50 is charged to the account every month, what will be the account balance after 5 months?

a. $2,005.00

b. $2,025.00

c. $2,025.15

d. $2,025.21

continued

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Name: **Date:**

Use the given information to complete problem 11.

11. Jeremiah has $7,200 that he wants to put in a savings account. He is considering the following two options:
    - **Option 1**: 4.5% APR, compounded monthly; $5 monthly maintenance fee
    - **Option 2**: 3% APR, compounded monthly; no maintenance fee

    a. Find the balance for Option 1 for each of the next 6 months.

    b. Find the balance for Option 2 for each of the next 6 months.

    c. Which option should Jeremiah choose? Explain.

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