

MANAGING YOUR CASH

	Total Points Earned
10	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Complete the chart below by filling in the blanks. (2 points per cell)

Tool Name:	Characteristics:				
	Definition:	Interest:	Accessibility:	Feature:	Feature:
Checking Account	Allows cash purchases using money put into the account	May be either non-interest or interest earning (usually the lowest interest rate of the cash management tools)	1.	The most liquid because the money is considered cash	Less need to carry large amounts of cash
Savings Account	An account to hold money not being spent on consumption	2.	Easily accessible through ATMs, telephone, or internet	May require a minimum balance or have a limited number of allowed withdrawals each month depending upon the financial institution	Store money for emergencies or temporarily hold money beyond daily living expenses
Money Market Deposit Account	Government insured account which is offered at depository institutions	Has a higher average rate of return than checking and savings accounts	Limited to a certain number of transactions each month	Customers usually have to deposit a minimum amount to open the account (\$1,000)	3.
Certificate of Deposit	4.	The interest rate will vary depending upon the specified time length	If there is an early withdrawal penalties are assessed	The time length usually ranges from seven days to eight years	Offered by depository institutions accepting deposits for a certain length of time
Savings Bond	A discount bond purchased for 50% of the face value from the U.S. Government	Any interest earned is tax exempt until it is redeemed; If it is used to pay for college, it is tax exempt when redeemed	Can be redeemed when the bond matures (i.e. a bond purchased for \$50 can be redeemed when it's worth \$100)	5.	For conservative, low-risk savers who like government secured savings instruments