

Reading: Managing Your Finances



A customer discusses financial services with a professional bank clerk.

A Visit to the Financial Center

Mr. Johnson is a new **account holder** at the City Financial Center. Today, he has an appointment with a **bank clerk** to organize his money. He feels safe knowing the bank uses cameras and heavy vaults to keep everyone's money secure. First, he checks his **bank account** to see his current **balance**. He needs to make a **deposit** of \$500 from his paycheck. He also needs to **withdraw** some cash for his weekly expenses. By keeping his money in the bank, he actually earns a little bit of extra money called interest. Every **transaction** he makes is recorded in his monthly statement.

Mr. Johnson speaks with a **customer service** representative about a **loan**. He wants to buy a new car, but he is worried about the **interest rate**. The representative explains that his good credit history helps him get a better deal. He also decides to apply for a new **credit card** to help with daily purchases, as long as he pays the bill before the **deadline** each month. Banks also use special computer codes to protect his private information from being stolen.

Next, Mr. Johnson looks at his **insurance policy**. He knows that driving a car involves **risk**, so he wants good **coverage**. He signs a new **contract** for auto insurance. He must pay a monthly **premium** to keep the insurance active. Insurance is important because it helps pay for big bills if something goes wrong. If he has an accident, he can file a **claim** to receive a **payment** for the repairs. This way, he does not have to pay for all the expensive repairs by himself. This **financial service** gives him peace of mind. Managing finances can be complicated, but understanding these terms helps everyone make better decisions.

Glossary & Sentence Frames

Term & Definition	Sentence Frame (Practice)
Account Holder: A person who owns a bank account.	I need to check my _____ to see how much money I have left.
Balance: The total amount of money in an account.	After the storm, the family filed a _____ to fix their roof.
Premium: The amount of money you pay for insurance.	The _____ is the person who owns the bank account.
Withdraw: To take money out of an account.	Every month, I pay a _____ of \$50 for my insurance.
Claim: A formal request for payment from insurance.	I went to the ATM to _____ twenty dollars.

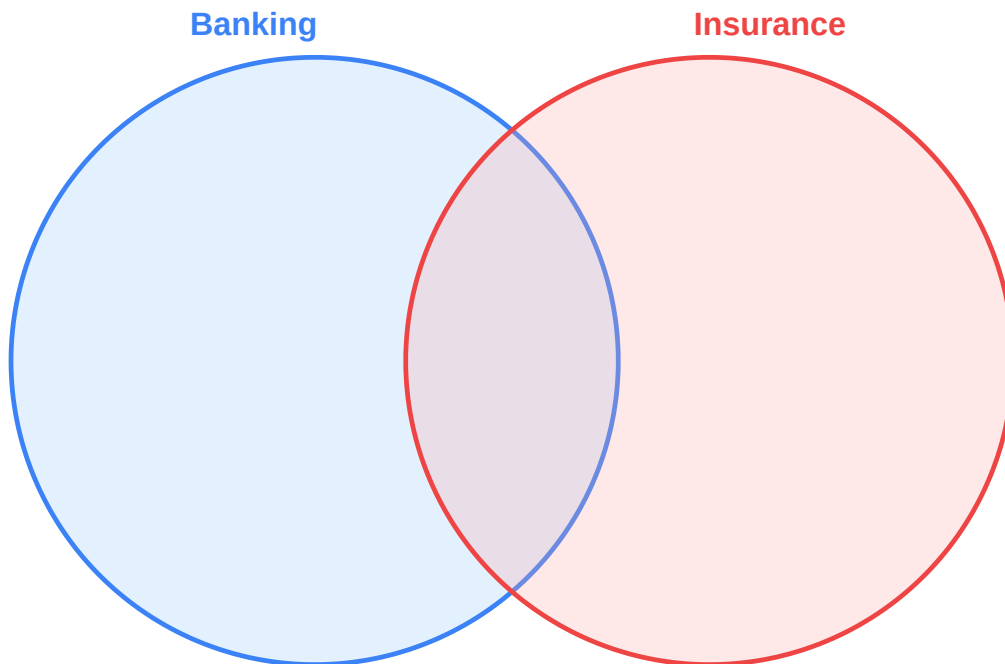
Banking vs. Insurance Comparison

Directions: Use the 20 bolded terms from the reading passage to complete the comparison map below. Categorize each term based on whether it primarily belongs to **Banking**, **Insurance**, or **Both** services.

Word Bank:

- bank account, transaction, deposit, withdraw, balance, interest rate, loan, credit card, customer service, bank clerk, insurance policy, premium, claim, coverage, risk, contract, payment, financial service, account holder, deadline

Categorizing Financial Terms



Write terms that apply to both in the overlapping center section.

Critical Thinking: Some terms like *'payment'* or *'contract'* appear in both categories. Choose one of these shared terms and explain why it is important for both a bank customer and an insurance policy holder.

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Answer Key: Word Categorization

Banking: bank account, transaction, deposit, withdraw, balance, interest rate, loan, credit card, bank clerk

Insurance: insurance policy, premium, claim, coverage, risk

Both: customer service, contract, payment, financial service, account holder, deadline

Comprehension & Application Quiz**Part 1: Factual Recall**

Choose the best answer based on the reading 'A Visit to the Financial Center'.

1. Why did Mr. Johnson visit the bank clerk at the beginning of the story?
 - A) To apply for a job
 - B) To organize his money and check his balance
 - C) To buy a new car
 - D) To file an insurance claim
2. What specific amount did Mr. Johnson deposit into his account?
 - A) \$50
 - B) \$350,000
 - C) \$500
 - D) \$20
3. According to the text, what helps Mr. Johnson get a better deal on his loan?
 - A) His monthly statement
 - B) His good credit history
 - C) His insurance policy
 - D) His weekly expenses
4. What must Mr. Johnson pay every month to keep his insurance active?
 - A) A premium
 - B) A deposit
 - C) An interest rate
 - D) A transaction fee
5. Why does Mr. Johnson want auto insurance coverage?
 - A) To pay for his car loan
 - B) Because driving involves risk
 - C) To increase his bank balance
 - D) To get a new credit card

Part 2: Real-Life Application

Use your vocabulary knowledge to solve these financial scenarios.

Scenario A: Sarah's car was damaged in a storm. She has an active insurance policy. What is the first formal step she must take to get money for repairs?

Scenario B: David wants to know exactly how much money is left in his bank account after his last purchase. What specific information is he looking for?

Scenario C: Maria needs cash to buy groceries at a market that doesn't take cards. What action does she need to perform at the bank or ATM?

Scenario D: A customer forgets to pay their credit card bill by the date listed on their statement. What did the customer miss?

Scenario E: Mr. Lee wants to borrow money from the bank to start a business. Besides the original amount, what extra cost will he have to pay back over time?

Answer Key

Part 1: 1-B, 2-C, 3-B, 4-A, 5-B

Part 2:

- **Scenario A:** File a claim
- **Scenario B:** His balance
- **Scenario C:** A withdrawal
- **Scenario D:** The deadline
- **Scenario E:** Interest