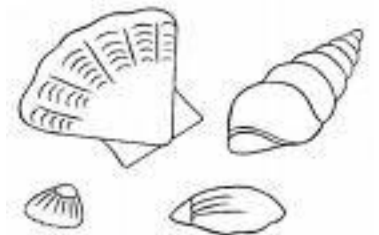
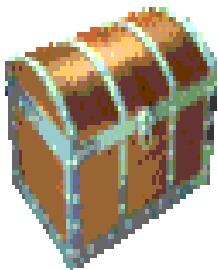




MONEY & BANKING

Chapters 11, 12, 13, 14 & 15



MONEY & BANKING



What is Money?

- Money is anything that is generally accepted by people in exchange for goods and services



MONEY & BANKING

What are the characteristics of money

- Money should be:
 1. portable
 2. divisible
 3. durable
 4. uniform in quality,
 5. recognizable and
 6. limited in supply.



MONEY & BANKING

- Today money comes in 3 forms:
 1. currency,
 2. cheque/laser and
 3. plastic cards.



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Currency

- This consists of coins and notes

Plastic Cards

- These consist of plastic cards such as credit cards, laser cards, etc.



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Barter or Swapping

- This means exchanging one good for another

eg.: a horse for a cow





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Irish Financial Agencies

■ Banks

1. Allied Irish Bank (A.I.B.)
2. Bank of Ireland (B.O.I.)
3. Ulster Bank
4. National Irish Bank (N.I.B.)
5. Permanent TSB
6. Agricultural Credit Corporation (A.C.C.)



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Irish Financial Agencies

■ Building Societies

1. Educational Building Society (E.B.S.)
2. Irish Civil Service Building Society
3. First Active
4. Irish Nationwide Building Society



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Irish Financial Agencies

■ An Post

- DIRT free but no loans



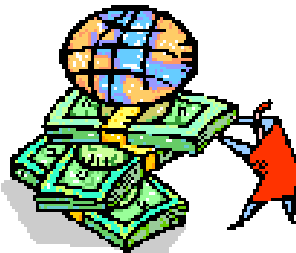
■ Credit Unions

- There are over 500 individual credit unions in the country



MONEY & BANKING

- Financial Services
 1. Money Transmission
 2. Savings
 3. Lending - except An Post
 4. Foreign Exchange





MONEY & BANKING

A Deposit Account

- This is a savings account
- People put money in to receive a return called interest

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Opening a Deposit Account

- This involves completing an application form giving details such as:

1. Name
2. Address
3. Occupation



- As well as this proof of identity and address are needed to ensure money lodged was not obtained illegally

MONEY & BANKING

- Proof of Identity can come from:
 1. Current passport
 2. Driver's licence
 3. Garda I.D.
- Proof of address can come form:
 1. Recent electricity/telephone bills
 2. Other bank Statements
 3. Driver's Licence

MONEY & BANKING

A Current/Cheque Book Account

- This is a bank service for people who wish to lodge (put in) and withdraw (take out) money conveniently and frequently.
- This account can be overdrawn

Overdrawing

- This means taking amounts out of an account over and above the amount of money that's in the account (up to an agreed limit)

MONEY & BANKING

- To open a Current Account one is required to give
 1. Their name, address and age (together with proof)
 2. Their occupation, name and address of employer
 3. Length of time employed
 4. Gross Pay
 5. Details of other bank accounts held
 6. Details of any property owned
 7. A reference letter from someone known by the bank
 8. A specimen signature - to verify the signatures on cheques

MONEY & BANKING

Automated Teller Machines (ATM's)/Hole in the Wall Banking

- This is a 24 hour banking service which allows customers to:

1. Lodge money
2. Withdraw money
3. Pay Bills
4. Order chequebooks and statements
5. Top-up, etc.

- Provided they enter their ATM card and P.I.N. number



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Personal Identification Number (P.I.N.)

- This is issued by banks with A.T.M. cards.
- It must be memorised and any written reference of this number then destroyed.
- This number must be entered when accessing an A.T.M. machine or when you withdraw money from inside a bank.



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A Debit/Laser Card

- This allows payment to be made without using cash or cheque.
- The card is swiped through a special terminal
- The money due is entered
- Consumers then sign a receipt or type in the Laser Card P.I.N. number
- If there is enough money in the card holders account the money will be transferred from the customers account to the retailers account

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- **Cash Back** allows customers to withdraw funds from their account when using a laser card

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A Standing Order (S.O.)

- This is a written instruction by a current account holder to a bank to make fixed payments from their account at fixed times.

eg.: for mortgage repayments

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Direct Debit (D.D.)

- This is when you give written permissions to a business (called a Direct Debit Mandate) to ask a bank to make fixed or variable payments to them from time to time.

eg.: electricity bills and telephone bills



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	<u>Direct Debit</u>	<u>Standing Order</u>
Amount	Varies	Fixed
Payment Date	Varies	Fixed





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A Cheque



- This is an order, signed by a current account holder, to a bank to pay a certain amount of money to a named party or order on demand

Or Order

- This means that the named party may pass on ownership of the cheque to somebody else

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Drawer

- This is the person who signs the cheque

Payee

- This is the person who the cheque is given to

Drawee

- This is the bank that the cheque is drawn on

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A Blank Cheque

- This is a cheque with some essential information missing

eg.: the date, the payee's name, etc

A Stale Cheque

- This is a cheque that is more than 6 months old

A Post-dated cheque

- This is a cheque that's dated for some time in the future

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A Dishonoured/Bounced Cheque

- This is one the bank will not accept.
- It is returned to the payee marked R/D (Refer to Drawer)
- The reasons for dishonouring a cheque are:
 1. The cheque is Stale/Post-Dated
 2. The Drawer has no money in the account to back the cheque
 3. The cheque is not completed properly
i.e. words don't match figures

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A Dishonoured/Bounced Cheque

- If a cheque bounces, bring it back to the drawer and ask them to pay you in cash, to re-write the cheque or to pay you in a different way.

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A Cheque Card

- This is an identity card which the cheque book holder has.
 - When used according to the bank's instructions it guarantees payment of a cheque by the bank up to a certain amount
- eg.: the bank will accept it up to €100
- Should there be insufficient funds in the drawer's account, the bank will pay the amount up to €100 and contact the drawer in search of payment

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Conditions for Using Cheque Cards

- The cheque must be signed in the presence of the seller
- The cheque and cheque cards signatures must match
- The maximum amount payable is €100
- The cheque book code number must match that on the card
- The card mustn't be out of date
- The seller needs to write the card number on the back of the cheque

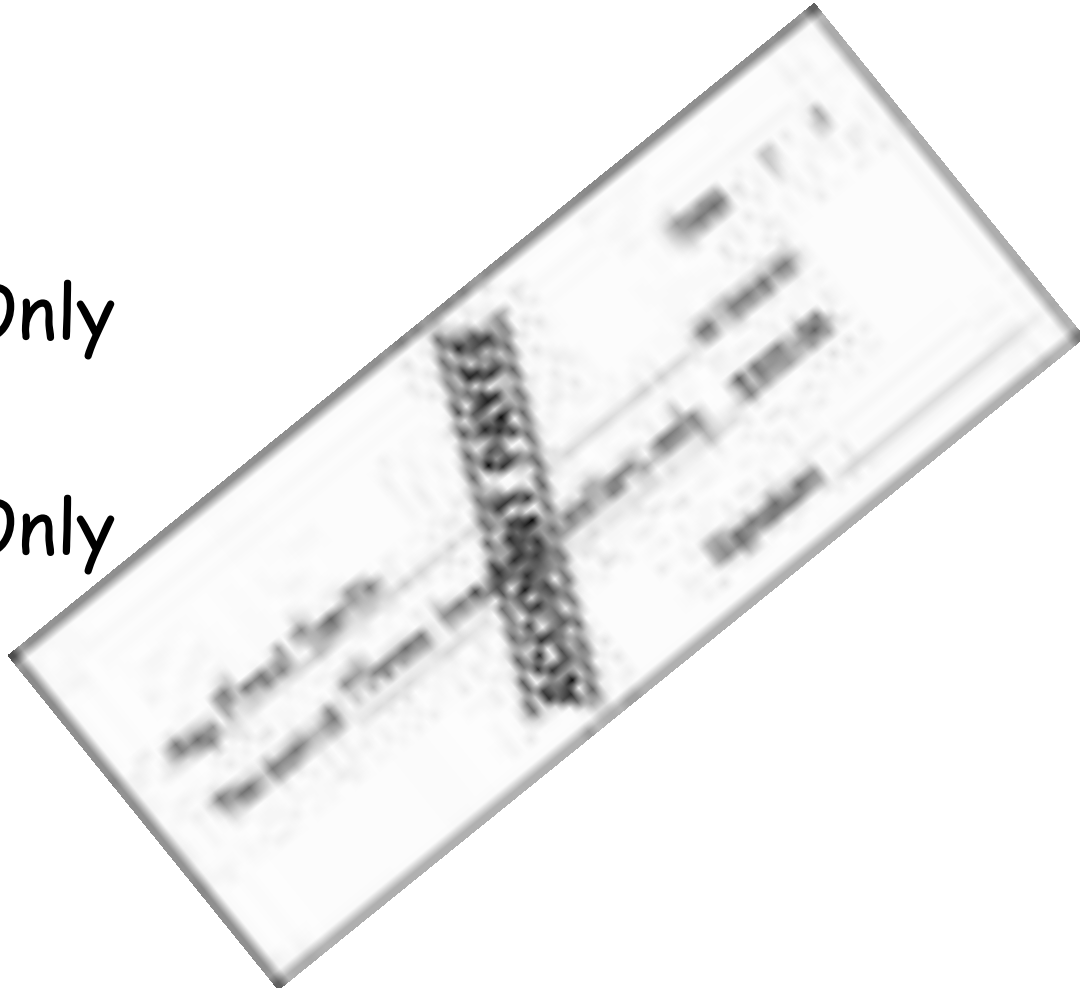
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Crossing a cheque

- This makes it safer as it restricts payments
- It is a way of giving extra instructions.
- Putting a crossing on a cheque is like writing 'pay into bank account only'; - the cheque will be lodged to a bank account

MONEY & BANKING

- & co
- A/C Payee Only
- A/C Payee Only
AIB, Skerries



MONEY & BANKING

Endorsing a Cheque/Negotiating a Cheque

- This means one can pass on ownership of a cheque to someone else by the payee signing his/her name on the back of it

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A Bank Draft

- This is a cheque which one can buy which is drawn on the bank itself.
- There is no risk of non payment as the bank has already received and deposited the amount of money the draft is made out for.



MONEY & BANKING

Bank Giro/Credit Transfer



The image shows a sample bank giro-credit form. At the top, it says "bank giro-credit". Below that, there are several fields for account numbers and amounts. The form is from the United Kingdom, as indicated by the text "UNITED KINGDOM TO NEPAL". There are also some checkboxes and a table at the bottom right.

- This allows one to transfer money directly into the bank account of another by filling out a bank giro form.
- You must know the name and address of the person being paid as well as their bank, branch, and account number



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A Credit Card

- This means that the Credit Card company pays the supplier for goods or services.
- Each month the credit card holder receives a statement showing all the card payments made for the previous month.
- The customer automatically has 3 months to pay the maximum or minimum amount and interest will be charged on the amount outstanding

eg.: VISA, MasterCard (Access)



MONEY & BANKING

A Charge Card

- This is similar to a credit card.
- Holders pay a yearly membership subscription.
- However, accounts must be paid in full when the statement is received
- No interest is thus charged

eg.: American Express and Diners Club



MONEY & BANKING

A Store Card

- This is issued by big shops and garages.
- Customers can purchase a certain amount of goods on credit and if payment is made by a certain date no interest will be charged.

eg.: Arnotts, Esso, Clerys, etc.

Arnotts
THE DEPARTMENT STORE



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Paypath

- This is a system whereby the employer pays the workers wages into the workers bank/building society account electronically.
- You will be given details of your pay (a payslip) but on payday the money will simply be transferred to your account

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Credit Unions

- These are co-operatives run and owned by their members.
- Many operate voluntarily
- Expenses are low and low interest is charged.



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- An Post offers 3 secure savings schemes which are not subject to D.I.R.T.

Deposit Interest Retention Tax (D.I.R.T.)

- This is a tax which must be paid on all interest earned in deposit accounts



MONEY & BANKING

Savings Bonds

- This scheme guarantees minimum returns after 3 years.

National Savings Certificates

- This scheme offers minimum return after 5 years

MONEY & BANKING

Index Linked National Instalment Savings

- You must save a fixed sum for each month for 12 months.
- The total sum saved is left on deposit for a period of 1 to 5 years
- This is one that the State will guarantee a minimum return on after 5 years
- This return will at least equal the rate of inflation

MONEY & BANKING

A Bank Statement

- This is one that current account holders receive from the bank on a regular basis or on request.
- It provides a record of all transactions) (lodgements and withdrawals involving the current account in question.
- It show the final balance or a particular period

