

NAME: _____ PERIOD: _____



Suppose you have been given a checkbook. Your checkbook has a ledger for you to record your transactions. There are two types of transactions that may take place, (1) deposits (money placed in the account) and (2) debits/ payments (money out of the account). The difference between debits/payments and deposits tells the value of the account. If there are more credits than debits, the account is positive, or “in the black.” If there are more debits than credits, the account is in debt, shows a negative cash value, or is “in the red.”

Situation #1:

Use the ledger to record the information and answer the questions.

Note: On August 12, your beginning balance is \$0.00

1. On August 16, you receive a check from your Grandmother for \$40 for your birthday.
2. On August 16, you receive a check from your Parents for \$100 for your birthday.
3. On August 17, you purchase a pair of pants from Old Navy for \$23.42.
4. On August 18, you find \$5.19 in change during the day.
5. On August 19, you purchase socks from Wal-Mart for \$12.76

DATE	TRANSACTION	PAYMENT (-)	DEPOSIT (+)	BALANCE

- A. What is your balance after five transactions?
- B. How much money did you deposit (show as a positive value)?
- C. How much money did you pay or withdraw (show as a negative value)?

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Situation #2:

Use the ledger to record the information and answer the questions.

Note: On May 5, your beginning balance is \$8.00

1. On May 6, you spent \$4.38 on a gallon of ice cream at Marty's Ice Cream Parlor.
2. On May 7, you spent \$3.37 on crackers, a candy bar, and a coke from Circle H convenience store.
3. On May 8, you received \$10 for cutting the neighbor's grass.
4. On May 8, you spent \$14.80 on a downloaded book for your Kindle.

DATE	TRANSACTION	PAYMENT (-)	DEPOSIT (+)	BALANCE

- A. What is your balance after four transactions?
- B. How much money did you deposit (show as a positive value)?
- C. How much money did you pay or withdraw (show as a negative value)?
- D. Can you really afford to spend \$14.80 on a book for your Kindle? If not, how much money do you need to earn to have an account balance of \$0?