

FABM2: LESSON 7

# Cash in Bank

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# Types of Bank Accounts

- **Savings Account:** Intended to encourage saving, these accounts earn a modest interest rate and are typically evidenced by a **passbook** or an **ATM card**. Interest is accrued daily based on the end-of-day balance but is reflected quarterly.
- **Current or Checking Account:** A bank account where the depositor can withdraw money by issuing a check. These accounts generally do not earn interest.
- **Time Deposit:** An account with a fixed maturity date and a higher interest rate than a standard savings account.

# Basic Bank Documents

- **Deposit Slip:** A form used by a client when putting money into a bank account.
- **Withdrawal Slip:** A form used by a client to get money out of a bank account.
- **Check:** An instrument used as a substitute for cash to pay for goods and services. It is a written order to a bank to pay a specific amount from a customer's account to a recipient.
- **Bank Statement:** A document issued by the bank (usually monthly) that shows the beginning balance, all deposits made, checks paid, other debits/credits, and the ending balance of the account.

# Check Preparation

- **Date:** When the check is issued.
- **Payee:** The person or entity to whom the payment is being made.
- **Amount in Figures and Words:** The specific value of the payment.
- **Signature:** The authorized signature of the account holder.

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**Thank You**

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