

Choosing an Account



MATH ON THE JOB

Carla Thibodeau grew up in northern New Brunswick, where she attended Miramichi Valley High School. After graduating, she did her Bachelor of Arts at the University of New Brunswick, studied basic accounting at New Brunswick Community College, and then pursued leadership development training through an institution in Pittsburgh, Pennsylvania.

Carla is now back in the Miramichi, where she works as the senior member services representative at the Beaubear Credit Union. She is responsible for the cash supply at the branch, servicing of the ATM, control of money orders, coaching other member services representatives, and daily customer service.

A customer wants to buy \$500.00 USD in traveller's cheques and pay for them from her chequing account. At the time of purchase, the exchange rate is \$1.0526 CAD for \$1.00 USD. There is a 1% commission on the Canadian dollar value of the traveller's cheques. Carla must also charge a \$1.00 fee for the transaction. How much money should Carla withdraw from the customer's account?



Among her other duties, Carla Thibodeau uses math to project how much money her Beaubear Credit Union branch needs from day to day.

SOLUTION

Carla will need to convert \$500.00 USD into Canadian dollars (CAD). At the time of purchase the exchange rate is \$1.0526 CAD for \$1.00 USD.

Calculate the cost of \$500.00 in USD traveller's cheques by converting \$500.00 USD to Canadian dollars.

$$\$500.00 \text{ USD} = 500 \times \$1.0526 \text{ CAD}$$

$$\$500.00 \text{ USD} = \$526.30 \text{ CAD}$$

The converted cost of \$500.00 USD is \$526.30 CAD.

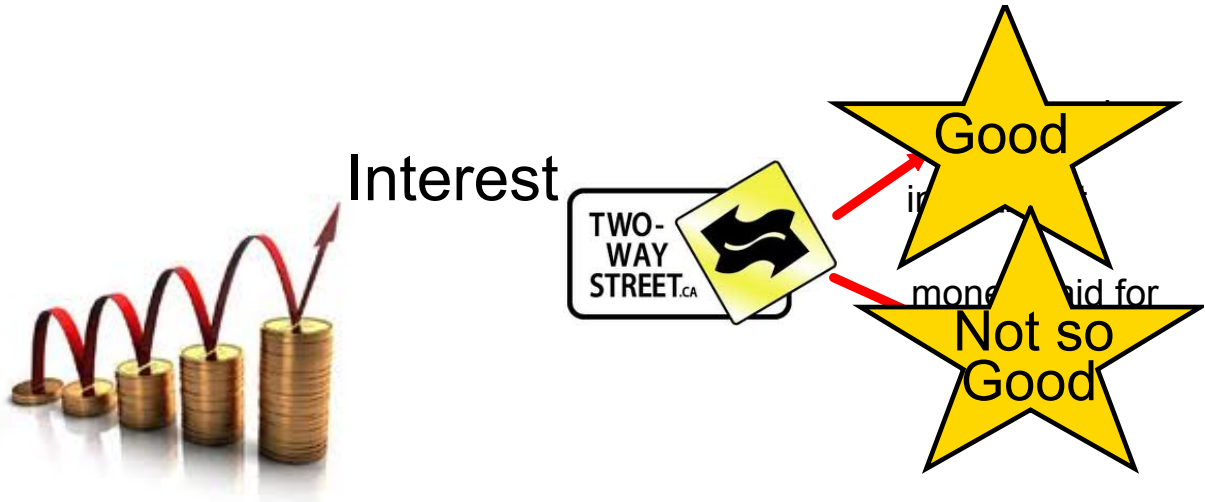
Calculate the 1% commission.

$$\$526.30 \text{ CAD} \times 0.01 = \$5.26 \text{ CAD}$$

Add the commission of \$5.26 and the bank fee of \$1.00 to calculate the total cost for the traveller's cheques.

$$\$526.30 + \$5.26 + \$1.00 = \$532.56$$

Carla must withdraw \$532.56 from the customer's account to pay for the traveller's cheques.



SELF-service banking



banking done using the internet, telephone, or banking machine;

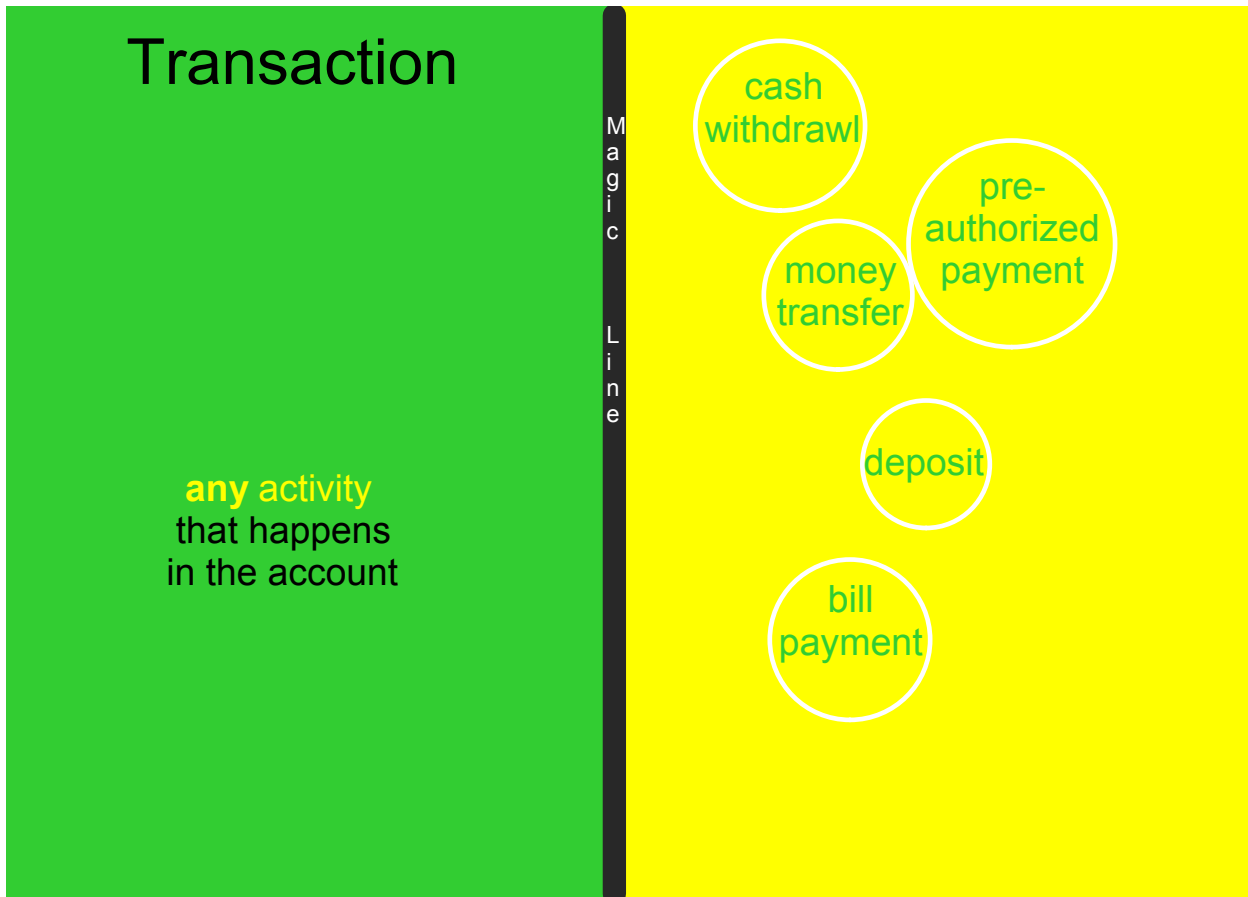
does not require the services of a teller



FULL-service banking



banking that is done with the help of a Teller





Tips for protecting your personal information...

- report lost/stolen cards IMMEDIATELY.
- DO NOT keep your social insurance number (SIN) in your wallet.
- NEVER give your personal information to someone you don't know.
- check your credit card/bank statements when you get them
- memorize and cover up your pin number.
- choose a pin/password wisely (no family names/birthdates/phone #)

Page 96

BANK OF ATLANTIC CANADA SERVICE PACKAGES				
	Value Account	Self-service Account	Full-service Account	Bonus Savings Account
Monthly Fee	\$3.90	\$10.90 Students and Youth (under 18) save 50% on the monthly fee	\$24.50	No fee
Fee waived on minimum monthly balance	\$1000.00	\$1500.00	\$2000.00	
Transactions covered by monthly fee: <ul style="list-style-type: none"> • cheques • withdrawals • bill payments • debit purchases • transfers to other Bank of Atlantic Canada accounts 	10 self-service	25 self-service	40 self-service or teller-assisted No annual fee for a credit card	2 debit transactions
Charge for additional transactions not covered by monthly fee	Self-service \$0.50 each Teller-assisted \$1.00 each	Self-service \$0.50 each Teller-assisted \$1.00 each	Self-service \$0.25 each	Self-service or teller-assisted \$1.25 each
Non-Bank of Atlantic Canada ATM withdrawals	\$1.50 each	\$1.50 each		
Interest				Daily interest that grows with your balance



HOMEWORK...

p. 102 Questions #1 - 7

3.1 Build Your Skills Detailed Solutions.pdf



3.1 Build Your Skills Detailed Solutions.pdf