

Name: \_\_\_\_\_ Date: \_\_\_\_\_

# How Banks Work

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|---|---------------------------|
| 1. the total principal and interest in your account   | A. principal              |
| 2. any money you deposit in the account   | B. balance                |
| 3. the interest rate the bank pays over one year  | C. simple interest        |
| 4. interest that's paid on the principal only   | D. compound interest      |
| 5. any change made in your account, such as a deposit or withdrawal                           | E. transaction            |
| 6. the amount of interest your investment produces, figured as a percentage of the investment | F. yield                  |
| 7. computer-printed copy of bank's record on your account for one month                       | G. interest               |
| 8. paper form used to record your account activity: deposits, withdrawals, interest payments  | H. annual percentage rate |
| 9. fees banks pay depositors for the use of their money                                       | I. statement              |
| 10. interest that's paid on the principal and any interest earned so far                      | J. register               |