

## A – What is a Current Account?

Read the sheet “What is a current account?” carefully and look up any difficult words in a dictionary. Talk to the other students in your group about the information and make sure you understand it.

a. Now work with a student from another group. Tell the student about what you read. Try to remember the information and **not** read from the page.

b. Now listen to your partner tell you what they read. Ask your partner questions to help you understand. When you have finished talking to your partner, write down the information in your words here.

Write four important things about **credit cards**:

1) \_\_\_\_\_

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2) \_\_\_\_\_

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4) \_\_\_\_\_

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## A - What is a current account?

You can open a current account to put in and take out money every day. If you have a current account, your salary or wages must be paid into this and it is your money, not the bank's money. You can take money out of your account in different ways:

- Withdraw money from the cash machine with your bank card
- Write a cheque
- Use a **debit card** or **laser card**, which is like writing a cheque. The money comes out of your account one or two days after you use the card to pay for something.
- Have a monthly **standing order** or **direct debit**, when money goes directly to another person or company.

You can use this for things that must be paid every month, e.g., rent and bills. A lot of people do this because it is quick and easy to do. You don't spend time writing cheques or going to the post office and waiting in a queue.

**Standing Order:** People usually have a standing order when the amount of money doesn't change. They use it to pay the rent, to put money into a savings account, or pay back a loan. You must tell the bank how much money should go out of your account. If you want to change the amount of money, then you must tell the bank.

**Direct Debit:** People usually have a direct debit when the amount of money changes. They use it to pay bills. You do not tell the bank how much money should go out of your account. The company that charges you for your bills tells the bank this information.

## B – What is a Credit Card?

Read the sheet “What is a credit card?” carefully and look up any difficult words in a dictionary. Talk to the other students in your group about the information and make sure you understand it.

a. Now work with a student from another group. Tell the student about what you read. Try to remember the information and **not** read from the page.

b. Now listen to your partner tell you what they read. Ask your partner questions to help you understand. When you have finished talking to your partner, write down the information in your words here.

Write four important things about **current accounts**:

1) \_\_\_\_\_

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2) \_\_\_\_\_

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## **B - What is a credit card account?**

You can open a credit card account to borrow money from the bank. If you have a credit card account, then it is the bank's money that you spend, not your money. People use them to pay for things they can't afford, but also to buy things over the Internet or telephone.

### **What do I get with a credit card account?**

The bank will give you a credit card and tell you how much money you can borrow, e.g. €1,000. This is your **credit limit**. You can then use the card to spend any amount of money from €10 to €1,000 (shops don't usually allow you to use a credit card for amounts less than €10). You can't spend any more than the €1,000 limit the bank gives you.

### **When do I have to pay back the money?**

The bank will write to you every month and tell you how much money you spent in that month. This letter is called a credit card statement. You must pay back some of this money every month. You can pay back a small amount, e.g., 10%, or the full amount, 100% of the money you borrowed.

### **What happens if I pay back the small amount?**

If you spend €1,000, and pay back 10% every month, you will need a few months to pay back all the money. During this time the bank will charge you interest on the money you didn't give back. Interest on credit cards is usually very expensive, so it's a good idea to give back 100% of the money you spend every month.

## Current Accounts and Credit Cards

**MODULE:** Money and Banking

**LEVEL:** R2 Lower

<b>Time:</b> 75-90 mins	<b>Focus:</b> Bank accounts, credit cards
<b>Class organisation:</b> Class divided into two large groups Pair work	<b>Type of activity:</b> Reading, speaking, note-taking
<b>Can be adapted to:</b>	<b>Prerequisites:</b> Basic vocab of money/banks
<b>FETAC:</b>	
<b>ELP:</b> B1 Reading. "I can read information in order to explain it to another person."	

### For this activity you need...

One set of worksheets marked "A" for half the class; one set of worksheets marked "B" for the other half

### N.B.

### In Class Procedure at a Glance

- Plenary discussion on what bank accounts/credit cards are.
- Divide class into two groups (or four for larger classes) A and B, and distribute worksheets. Students read the text and discuss the content in their group, agreeing on four important facts.
- Pair work, with students from group A and B exchanging information and taking notes.
- Plenary discussion on advantages/disadvantages of bank accounts and credit cards.

### In Class Procedure in Detail

1. Elicit information from students on current accounts and credit cards to establish how much they already know. E.g.: Do all students have a current account and/or credit card? What do they use them for? Write key points/vocabulary on the board.
2. Divide class into two large groups, A and B. Give worksheets on current accounts to group A and worksheets on credit cards to group B.
3. In their groups, students read the information and look up new words in (monolingual) dictionaries. They then discuss the information they have read in their group, making sure that they all understand it. Students should agree together on four important points that they feel they should remember. Monitor both groups, and contribute to discussions in order to clarify any points that arise.
4. Students work together in pairs, one student from group A and one from group B. They explain the information they have read to each other, without reading from the text (as far as possible). They also take notes on the four important points their partner talks about.
5. Plenary: discussion about the advantages and disadvantages of current accounts and credit cards.

### Comments

3. A round-table discussion is a good way to do this, if possible. The teacher can then sit down with the students and answer any queries they may have. There is usually great interest in this topic, but often confusion about how exactly different accounts work. Explanations from peers should be sufficient, but monitor closely just in case as misunderstandings can easily arise at this stage.

### Suggested follow-up activities

For higher levels:

Students could study application forms of the high street banks for current/credit card accounts, take notes on the main details, and discuss any major differences between the banks.

An awareness-raising exercise on the problem of debt in modern society and mounting costs of long-term borrowing.