



Instructions: Work out the money maths and use the answer bank to check. Read the Did you know? box. Number the 4 steps in order, tick True or False, match each word to its meaning, then write short answers.

1. Money maths

Answer bank: (£3) (£600) (£1050) (£20)

Question	Answer
3% of £100 =	
€1,000 + €50 interest =	
Borrow £500, pay £100 interest. Total =	
10% of €200 =	

About this topic

A bank keeps people's money safe and lets them pay, save and borrow. Your money in a bank is recorded in an account. A current account is for everyday spending; a savings account is for money you keep for longer. Banks lend some of the money people deposit to others who want to borrow.

Did you know?

- The word bank comes from the Italian 'banco', a bench.
- Savings in banks are protected up to a limit by law.
- Interest can work for you (saving) or against you (borrowing).



Tayo opens a savings account with his dad

2. Put the steps in order

Write 1 to 4 in the boxes (1 = first).

- ☐ Earn: The bank pays interest on savings
- ☐ Repay: Loans are paid back over time
- ☐ Open: Open an account with a grown-up
- ☐ Charge: Borrowers pay interest

3. True or false?

Banks pay savers interest.	☐ True	☐ False
Borrowing is always free.	☐ True	☐ False
Debt is money you owe.	☐ True	☐ False
Compound interest means no interest.	☐ True	☐ False

4. Match up

Write the letter of the right meaning in the box.

Interest	A. Money that you owe.
Compound interest	B. The cost of borrowing money, or the reward for saving it.
Debt	C. Money borrowed and paid back over time.
Loan	D. Interest earned on both the money and past interest.

5. Short answers

- What is interest?

- Name two types of borrowing.

- Why should you pay back debt on time?

- Explain in your own words: What are two things banks do for people?

- Stretch: Explain interest from the point of view of a saver and a borrower.

